

Polish church criticizes riot police

The Polish bishops have criticized the Polish Government's handling of violent demonstrations on Monday. They also said they expected substantial concessions from the state authorities on the revival of Solidarity, and the ending of martial law. They made it clear that the police handling of the demonstrations overshadowed the authorities' recent concessions. [Back page](#)

Axe man pelts siege police

A man armed with an axe who barricaded himself in a loft in a house in St Ann's, Nottingham, was defying police last night. He pelted them with tiles thrown through a hole in the roof.

ETA murder A-plant chief

Opening war on Basques cooperating with Madrid, ETA gunmen murdered the chief engineer of a Bilbao nuclear plant on the day it was being signed over to regional authorities. The Cabinet went into emergency session. [Page 8](#)

Markets trade nervously

Financial markets reacted nervously yesterday to the news of British losses in the South Atlantic. The pound fell sharply against continental currencies, but finished stronger against the dollar. The stock market made a recovery after early losses. [Page 17](#)

New rules on police taping

New rules covering tape recording of police interviews and wider powers to stop and search will be included in a Police Bill being prepared by the Government for introduction in the autumn. [Page 5](#)

Israeli bullets kill more

Israel's chief of staff defends the use by his troops of live ammunition against demonstrators in the occupied territories. Critics wonder why bullets fired at legs are killing so many. [Page 8](#)

Sporting rights

Local hunt supporters believe that South Glamorgan County Council could not enforce any ban on foxhounds as all rural land owned by the council is rented to farmers to whom sporting rights are assigned. [Page 6](#)

Opera stopped

The Royal Opera House, Covent Garden, has cancelled tomorrow's performance of Tchaikovsky's *Eugene Onegin* because of a wage dispute with members of the chorus. Refunds will be made to ticket holders. [Page 6](#)

Polling today

Voters go to the polls in 183 local authorities in England and Scotland today. Party issues are likely to be overshadowed by the Falklands crisis. [Page 6](#)

Namibia blow

Africa's front-line states reflect as sterile the West's Namibia proposals and demand a Geneva-type conference under the UN. [Page 8](#)

Refugee rumpus

Factional fighting between Vietnam refugees in their Hongkong camp has forced 1,000 from the south to quit and squat in empty barracks. [Page 8](#)

Boycott century

Geoffrey Boycott scored 138 for Yorkshire against Northampton on the opening day of the county cricket championship. It was the 126th first-class century of his career. [Page 23](#)

Leader page 13
Letters: In defence, from Lord Hill-Norton, and the Duke of Buccleuch; diplomacy, from Professor Bernard Crick, and others.

Leading articles: The Falklands; Dock Labour Board scheme.

Features page 12

Bernard Levin returns to the case of two persecuted Soviet miners; Ronald Butt on how the Falklands may affect today's council elections.

Texas Henry Fairlie looks at this larger-than-life American state in a two-page Special Report.

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Pym keeps the door open on US-Peru ceasefire proposals

• The latest American-Peruvian proposals to end the Falklands crisis, containing suggestions for an early ceasefire and the prompt withdrawal of Argentine troops, were the most helpful basis for finding a settlement, Mr Francis Pym told the Commons yesterday. The Foreign Secretary said he continued to be in close touch with Mr Alexander Haig in Washington. • The return to a mood of diplomacy

By Philip Webster, Political Correspondent

Mr Francis Pym, the Foreign Secretary, disclosed to the Commons yesterday that an early ceasefire, with a prompt Argentine withdrawal, was one of the vital ingredients of the revived American-Peruvian proposals for settling the Falklands crisis.

Saying that he believed these proposals provided the most helpful basis for achieving a settlement, Mr Pym, who has sent a "constructive" contribution to Mr Haig, United States Secretary of State, late on Tuesday night, said he would be in touch with him again late last night. He left many MPs with the impression that he regards Mr Haig as being very much back in the negotiating business, and his emphasis that an early ceasefire was at the heart of the latest initiative was not lost on them.

Mr Pym pleased the Opposition benches, and particularly Mr Denis Healey, the shadow Foreign Secretary, with what they regarded as his positive response to the ideas put forward by Señor Pérez de Cuellar, the UN Secretary General, although Mr Pym stressed that he regarded the Haig proposals as offering the best hope of progress.

He said there were many points of similarity between the secretary-general's thinking and the Haig-Peruvian plan, and that his ideas seemed certain to be reflected in the basis of any solution.

Mr Healey said he regarded that as much more forthcoming than anything the Government had said so far. He asked that the Government should take the initiative in responding to the UN ideas and not hide behind a "possible refusal" of the

islands under peaceful means than be driven out by force.

When Mr Jonathan Aitken, Tory MP for Thanet, East, told him to be cautious about negotiating terms for a ceasefire until the Argentines had shown by their deeds they were withdrawing their troops, Mr Pym replied: "Yes I am showing appropriate caution, but I will also show appropriate enthusiasm."

And MPs detected no enthusiasm from Mr Pym to a suggestion from the Tory benches that airfields on the Argentine mainland should be bombed. He said: "Naturally military considerations and aspects are being thought about in greater depth, and possible plans are being prepared. That is right because we have a task force in the South Atlantic." And he added: "Let us at the moment concentrate our minds on trying to achieve a peaceful settlement."

Mr Pym also slightly lifted the veil over the Government's long-term intentions towards the Falklands.

Asked by Dr David Owen, parliamentary leader of the Social Democratic Party, positively to welcome the concept of a United Nations trusteeship council, Mr Pym replied: "The Government has an open mind about what might be the ultimate solution. Most certainly the United Nations trusteeship concept is one of those possibilities. It might in the end prove to be highly suitable."

Although it was stressed later that Mr Pym was referring to the idea as no more than an option at present some MPs, notably Dr Owen, regarded his reply as significant.

Mr Pym also agreed that Mr Pym should speak positively to the Commons about the Government's willingness to work for a ceasefire, but that should be dependent on a commitment by the Argentine to withdraw her forces.

The full Cabinet was convened after the inner group, with the Prime Minister in the chair, agreed that all their colleagues should be allowed the chance of a full reappraisal of the Government's military and diplomatic stance. In the event the Cabinet spent most of their one hour and fifty minute session considering how their efforts to find a diplomatic solution could best be advanced.

They agreed that world-wide support for Britain as the victim of aggression had been weakened by the fighting in the South Atlantic and Washington was working.

It was likely to diminish further, and that made the quest for a diplomatic success (as Mr Pym later told the Commons) all the more urgent.

Ministers also agreed that Mr Pym should speak positively to the Commons about the Argentine's willingness to work for a ceasefire provided Argentina to a ceasefire provided that should not agree to a ceasefire without being told that "we had a mediation process which would get the Argentine off the islands".

Mr Healey ended with gratification, telling Mr Pym that this was "an important distinction from the demand that a ceasefire cannot take place until Argentine forces have left".

From Christopher Thomas, Buenos Aires, May 5

The military junta tonight had still not officially announced that Argentina had sunk the British destroyer Sheffield, though full accounts were published by *Telam*, the official news agency.

It appears that the pilot who fired the Exocet missile from a French-built Super-Etendard aircraft turned back to base before his missile struck home. According to military spokesman, he fired at an object that showed up as a large blip on the radar screen, which could have been one of the carriers. According to the newspaper, Argentina has 12 Etendards, but reports reaching United States sources here say they have only five, which were delivered last year.

Captain Enrique de León, the senior military spokesman



Half mast at Sheffield cenotaph over the destroyer's loss.

Sombre mood in Commons

Nott hints at pause in action

By Hugh Noyes, Parliamentary Correspondent

Mr John Nott, Secretary of State for Defence, gave a strong indication in the Commons yesterday that British forces off the Falkland Islands were planning no attacking action against the Argentines over the next few days. He told MPs that if the Argentine forces in the next few days did not in any way challenge our ships and our men threatened them, and if they ceased coming into the total exclusion zone, then no casualties need arise.

Mr Nott also denied American reports that a naval battle was now going on around the Falklands. He had no knowledge of any such battle, he said, and the government had no reports of one. Although he could not be sure because of periodic communications difficulties, he had checked recently on this point and was aware of the reports from American sources.

There had been accompanying vessels in the immediate area which picked up those who had abandoned ship, he said. Describing the news as grave and tragic, the Secretary of State firmly told the House that the task force was continuing its operations from American sources.

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At about 7pm London time the order was given to abandon ship. Ships of the task force picked up survivors and the ship and the other hitting her amidships. The explosion that followed caused a major fire and, although attempts were made to extinguish it for nearly four hours with the assistance of other fire fighting teams in the area, it spread out of control.

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As Mr Nott gave the Commons the first full details of the attack on HMS Sheffield, it was soon clear that the mood of MPs had changed remarkably from the near panic reaction of

continued on back page, col 1

US tries desperately to halt fighting

From Nicholas Ashford, Washington, May 5

The United States was today engaged in what diplomatic sources described as "frenetic activity" in an attempt to halt the fighting between Britain and Argentina over the Falkland Islands.

However, despite the numerous diplomatic initiatives which are now under way and renewed American pleas for a quick end to hostilities, there were growing fears in Washington that the undeclared war would become more intense in the wake of the sinking of the General Belgrano and the Sheffield.

Press speculation here that Mr Haig had proposed a 48-hour ceasefire was greeted with a firm "no comment" by State Department spokesman. The British said they could not accept a ceasefire which left the Argentines in control of the islands.

The meeting, which was at Britain's request, caused Mr Haig to cancel abruptly a trip to New York, where he was due to give an after-dinner speech to the Irish Club. Mr Haig was at Andrews Air Force base outside Washington about to board an aircraft when he received telephone

call from the ambassador requesting urgent talks.

According to British sources, the British Government's initial reaction to the Peruvian proposals was sufficiently encouraging to make Mr Haig put forward a number of modifications of his own. These modifications have been sent to London for comment.

British diplomats strongly rejected suggestions that Britain is now more interested in a negotiated settlement after the loss of a destroyer and a Harrier jet off the Falklands. It was pointed out that talks on the Peruvian plan had begun well before these losses were announced.

"It is certainly not a case of a bloodied nose causing us to sue for peace", a British diplomat remarked. "We always knew we would have to expect losses if fighting started."

The British say that the seven-point Peruvian plan is not the same as the seven-point Haig plan, emphasising that the Peruvian ideas consist largely of an "expression of general principles" rather than specifically-worded proposals.

Continued on back page, col 4

Destroyer still burning 12 hours after attack

From John Witherow, on board HMS Invincible

Survivors from the Sheffield, hit by an Argentine missile, have been taken to several other ships in Royal Navy task force as the Exocet missile exploded just after impact.

The Sheffield was the fast sea-going command of Rear Admiral John "Sandy" Woodward, the Commander of the task force, before he took the job as director of Naval Plans at the Ministry of Defence about four years ago. She had close connections with the city of Sheffield and was known as

"the shiny sheep" because of stainless steel fittings in the ship, placed there by local manufacturers.

The attack was more sophisticated than has been seen to date, and also indicated the Argentines had good intelligence about the position of the fleet.

The news of the attack was greeted with shock on board the Invincible. "The reality of all this is beginning to sink in" one officer said. Survivors from the ship are expected to be placed on other ships or sent home as soon as possible.

Queen 'deeply concerned'

Buckingham Palace said yesterday: "The Queen is following events in the South Atlantic very closely and is naturally deeply concerned and saddened by the tragic news of the loss of HMS Sheffield and the pilot of the Harrier jet."

The Queen's involvement is not only as head of state and Commander-in-Chief of the British forces; Prince Andrew is a helicopter pilot with the task force.

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Junta delays announcement on Sheffield

From Christopher Thomas, Buenos Aires, May 5

man said that two other Etendards were involved in the operation. They had been ordered to attack the British fleet, which was 60 miles south of the Falklands.

According to *Clarín*, the newspaper closest to the military, the missile was fired about 23 miles from the target. It said a Mirage also fired an unidentified missile at an object that showed up as a large blip on the radar screen, which could have been one of the carriers. According to the newspaper, Argentina has 12 Etendards, but reports reaching United States sources here say they have only five, which were delivered last year.

The war continues to inflict serious harm on the

fragile economy, and the peso now stands at 14,000 to the dollar, compared with 16,000 before hostilities began.

Naval sources said that rescue ships were continuing to battle against tempestuous seas in the search for more survivors. The ship was holed below the waterline and, according to official spokesman, it took two hours to sink, giving the crew sufficient time to abandon ship.

They said all personnel not in the compartments blasted by the explosion were safe. They put to sea in 60 lifeboats, each of which had 15 days provisions for 20 people, but which could handle up to 35 people. The boats apparently grouped into fleets of six, to help rescue planes to spot them.

FALKLANDS CRISIS/2

The loss of HMS Sheffield

By Henry Stanhope, Defence Correspondent

The comprehensive destruction of the destroyer Sheffield by a single missile is raising a number of embarrassing questions for Britain and for Nato about the future of the fleet, the design of its ships and the weapons they carry.

In one sense Tuesday's disaster vindicates the complaint of Mr John Nott, Secretary of State for Defence, last year that too much is spent on weapon platforms for the armed forces and not enough on the weapons themselves.

This is not the first time that the 14 Type 42 de-

stroyers in the Royal Navy have been surrounded by controversy. The 4,000-ton ships, which cost about £85m two years ago and more than £3m a year to operate, have long been criticized for being under-armed.

They were designed pri-

marily to accommodate the

Sea Dart air defence

missile and thus help to

provide protection from

enemy aircraft for task

forces like the one now in

the South Atlantic.

Sea Dart can also be used

against other ships, which is

just as well because the only

other weapons on the Type

42 comprise a 4.5in gun, two

20mm cannon and a Lynx

helicopter.

If the Sheffield was operating

as a picket, standing off

from the main task force

ships such as the Hermes and

the Invincible, it would have

presented the pilot with a

clear target. He would have

had to climb to identify it at

long range, then would sink

more below the horizon

— disappearing from the

prescence... it would be scarcely wise to allow her out in dangerous waters alone.

But in this case it would

seem that she was not alone.

Moreover the Sheffield was

struck by a missile fired not

from another ship but from

one of the very aircraft

against which the Sea Dart

system was supposed to

protect the task force.

The Super Estandard which

launched the Exocet was

probably operating out of

one of Argentina's southern

bases such as Rio Gallegos or

Tierra del Fuego.

Its radius of action like

that of all combat aircraft,

depends upon its payload,

speed and altitude, but with

Exocet under the starboard

wing and a 1,100-litre

external fuel tank strapped to

the port wing, could

probably manage 450 miles.

This should have been

enough if the pilot had had

another surveillance aircraft

pinpointing his target for

him first and guiding him

straight to it. Argentina has

also two Hercules tankers for

which remain well behind the

vulnerability. But it is question

able whether the five

Super Estandards in service

with the Argentines are fitted

for mid-air refuelling.

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As fires raged in the

Sheffield a call was put out

for hoses and pumping

equipment to be dropped by

helicopter. A frigate went

alongside to help tackle the

fires but three hours later it

was decided to give the order

to abandon ship because of

the danger of a possible

explosion of the Sheffield's

own Sea Dart missiles.

Two hours after the attack

the Invincible's crew were

told: "Sheffield is floating

level and high in the water.

There are fires still burning

on board."

It was 14.15 GMT when the

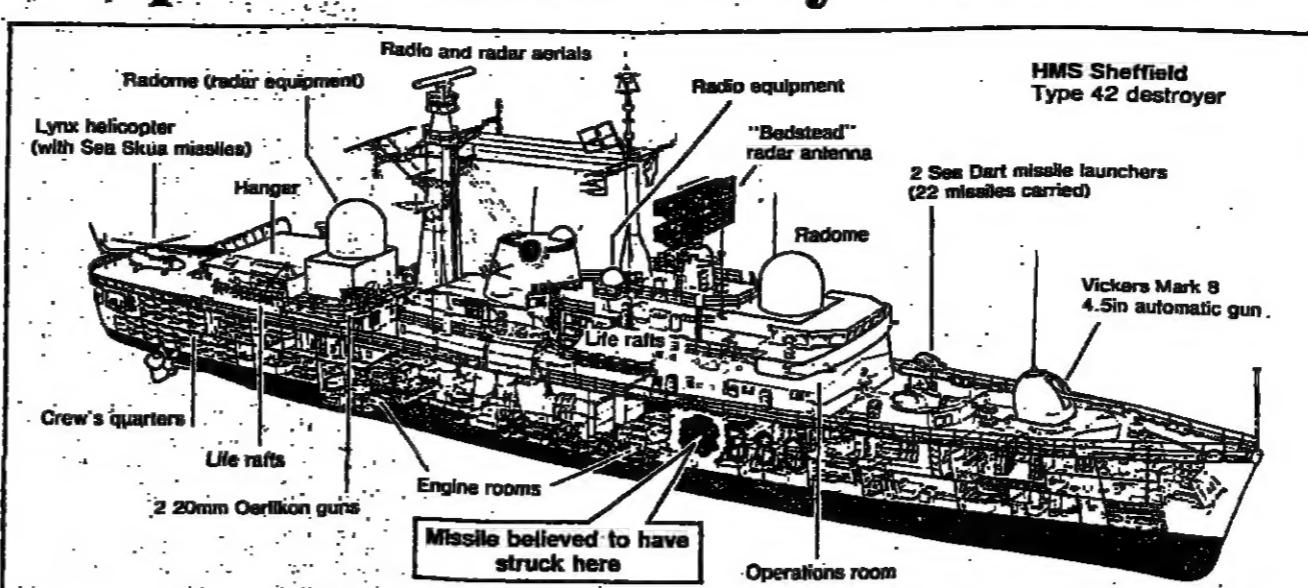
alarm sounded on the Invincible

and the 1,000-man crew

were told: "Air raid imminent

from the South West."

Captain James "Sam" Salt, commander of HMS Sheffield, who comes from Petersfield, Hampshire.



Direct hit raises questions on Navy's defence

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PARLIAMENT May 5 1982

Haig proposals still best way forward

FALKLANDS

An early ceasefire is a vital ingredient of the diplomatic ideas for solving the Falklands crisis on which the British Government and Mr Alexander Haig, the American Secretary of State, are working. Mr Francis Pym, Secretary of State for Foreign and Commonwealth Affairs, said in a statement in the Commons.

The Government was sparing no efforts in the search for an acceptable solution in line with the principles he had stated on several occasions.

Although it is we who have been the victims of aggression (he said) it is also we who are working tirelessly and constructively for a peaceful solution.

Mr Pym said: The military losses which have now occurred on both sides in this unhappy conflict emphasize all the more the urgent need to find a diplomatic solution.

The House will wish to know that since my return from the United States on Monday I have remained in the closest possible touch with Mr Haig.

As I reported to the House yesterday, we are working very actively on ideas put to us by Mr Haig, including some advanced by the President of Peru. Yesterday, Mr Pym said, from my statement, I set out a constructive contribution of our own to Mr Haig. He is taking this fully into account. I shall be in touch with him again later on today.

I want to tell the House that a vital ingredient of the ideas of which I am working is an immediate ceasefire and the prompt withdrawal of Argentine forces. I can assure the House that we are sparing no efforts in the search for an acceptable solution in line with the principles which we have stated on several occasions.

The points which were put to me in New York by the Secretary-General of the United Nations are also receiving our very careful attention. I have been in touch with Mr Pery about this since my return from New York and will continue to keep in close contact with him.

There are many points of similarity between the Secretary-General's thinking and the points we are pursuing with Mr Haig. Indeed, Mr Pery de Cuellar's help in the Argentine crisis has reflected in the basis of any solution which we may be able to achieve.

I can assure the House that any obstructionism there may be will not come from our side. Although it is we who have been the victims of aggression, it is also we who are working tirelessly and constructively for a peaceful solution. (Cheers.)

Mr Denis Healey, deputy Leader of the Opposition and spokesman on foreign and Commonwealth affairs: We all feel that if military escalation continues in the way it has over the past few days, more lives could be lost, both Argentine and British, on the land and islands of the Falkland Islands. It underlines the paramount necessity of achieving a diplomatic solution.

Can Mr Pym confirm reports that Mr Haig has asked for a two-day ceasefire so that diplomatic possibilities and if that is the case, what response the British Government has given?

I particularly welcomed what he said about the United Nations Secretary General, which was a good deal more forthcoming than what he said yesterday which in turn was more forthcoming than what he said in The Times.

I see that the Secretary-General is reported in *The Times* today as saying that the suspension of the peace initiative by Mr Haig has created a diplomatic vacuum which only the United Nations can fill.

As he will know, that has been the view of the Opposition for some time.

As I understand it, the Argentine Government has already agreed to accept the good offices of the United Nations. I appeal to Mr Pym to agree that the British Government should do the same. I have no doubt it might have had at one time must have been removed by the Secretary-General's statement yesterday that he insists on the full implementation of resolution 502 which requires Argentine forces to leave the Falkland Islands.

I was particularly glad to hear Mr Nott endorse my words this morning, that a ceasefire must depend on agreement on negoti-

ating processes which will get Argentine forces off the islands. That is an important distinction from the demand that a ceasefire cannot take place until Argentine forces have left.

Mr Pym: I thank him for what he said, at the beginning and recognize that we share a desire to achieve a peaceful settlement if it can be done.

About the two-day ceasefire, in connexion with any negotiated settlement which involves withdrawal, arrangement for a ceasefire is an inevitable part and I think this has been part of the dispute.

It is helpful that I am in close touch with the UN Secretary-General. He has offered his good offices to the Argentine and the United Kingdom and I have responded in that sense to him.

We have shared ideas. The ideas he sent recently I am responding to.

There has been no suspension of the peace initiative by Mr Haig. Mr Healey perhaps implied that Mr Haig's efforts had come to an end. That is not so. It is clear that they began a new phase when the Argentines rejected the peace proposal.

In my opinion, the Haig efforts are the most helpful basis for achieving a settlement but I do not exclude anything else and certainly not the United Nations.

Mr Healey: He has offered his good offices to the Argentine and the Argentine Governments for a substantive solution to the crisis and is asking the British Government and the Argentine Government to respond to his proposals today.

Can Mr Pym confirm those reports, Mr Healey, that the British Government will take the initiative in responding and not hide behind a possible refusal of the Argentine Government to respond, as was the case with the Haig proposals earlier?

Mr Pym: There is no question of hiding behind anything. I have been in touch with the Secretary-General and responding on his behalf, he has been speaking about, but I am of the view that the Haig proposals are more likely to lead to a way forward.

Mr Healey: Have proposals been made? I do not blame him for not disclosing them, as this is a matter which requires to be kept under diplomatic privacy, but if the proposals have been made we must not let him be blamed for not doing so?

Mr Pym: Is it correct to assume that the formal negotiations by Mr Haig are inter-linked with those pursued by Peru?

Mr Pym: The proposals by the United States over a week or 10 days ago and turned down by Argentina are over. Since then a number of governments have produced ideas and at present we are working on proposals which are a mixture of those of the United States and those from the President of Peru.

Mr David Trippier (Rossendale, SDP): Is it correct to assume that the formal negotiations by Mr Haig are inter-linked with those pursued by Peru?

Mr Pym: The proposals by the United States over a week or 10 days ago and turned down by Argentina are over. Since then a number of governments have produced ideas and at present we are working on proposals which are a mixture of those of the United States and those from the President of Peru.

Mr David Owen (Plymouth, Devon, SDP): We fully support his intention of linking any early ceasefire with the withdrawal of Argentine forces and no doubt the withdrawal of British forces from the South Atlantic as well.

Is there any possibility of the Peruvian Government actually putting down proposals rather than going into the Security Council debate? Many people expect clear indication from the British Government of its long-term position. Will he positively welcome the concept of a trusteeship council?

Mr Pym: There were some proposals originating in Peru which were not fully accepted and there have been discussions. I hope out of them will have a chance of success. Mr Haig is in touch with Peru and working in that way and through them as they are friends with the Argentine and this may be a good way to negotiate and this may be contrary to what he said.

In the long term the Government has borne in mind about anything that might be a solution and the trusteeship concept is one of these and may in the end prove to be a highly satisfactory one: I do not know. It is certainly a concept which can be considered.

Mr Pym: There were some proposals originating in Peru which were not fully accepted and there have been discussions. I hope out of them will have a chance of success. Mr Haig is in touch with Peru and working in that way and through them as they are friends with the Argentine and this may be a good way to negotiate and this may be contrary to what he said.

Lord Belstead said the Government last night that it was considering the ideas that came up when the Foreign Secretary saw the Secretary-General.

The Secretary-General was not described as being in a formal position or an UN peacekeeping force.

I would like to make clear (he added) that the Foreign Secretary welcomes the Secretary-General's concern and is intending to keep in close touch with him. He will be giving the Secretary-General very shortly a full indication of our position.

Our basic objective remains unaltered — to secure the withdrawal from the Falkland Islands of all the occupying Argentine forces, as called for by Security Council resolution 502. Our operations will be suspended as soon as this objective is secured.

He said that a precondition which was still being put by the Argentines was that for any negotiations to take place, the result of those negotiations would already have been decided in Argentine's favour.

That will not do (he said) if a just solution is to be reached. (Cheers.)

Lord Hankey (Ind) suggested there might be a case for using maximum force and settling the matter "jolly quickly".

Lord Belstead: We must do one more thing. We are ready at all times to enter into proper negotiations on this matter. We are ready to use the good offices of the President of Peru or Mr Haig and of the UN Secretary-General but it has got to be fair and just negotiations.

He added: The factors Mr Healey mentions are obviously most relevant to any decision we shall take.

Mr Frederic Bennett (Torbay, C): It is relevant in the context of events in the Falklands that immediately after the invasion the Guatemalan stepped up its very articulate demands for gaining Belize.

I ask not so much if Mr Onslow is prepared to give a date or not but that if British troops do stay in Belize will it not be a universal acceptance by the House of the full efforts and determination to make sure that they do not get let down at the last moment.

Mr Onslow: We have no intention to let Belize down and we are watching closely what is being done by the new regime in Guatemala.

Mr Healey: I speak for many in both sides of the House. Many of us feel the Falklands crisis arose because the Government gave a false signal to the Argentine Government. Unless Mr Onslow is able to give a specific answer to my specific question he is in danger of giving another false signal, so I appeal to him again to answer.

There was laughter when Mr Nicholas Winter (Macclesfield, C) called out: close that brief.

Mr Onslow: Who closed his Red folder, replied: We have no intention of giving false signals even to those who wish to see them.

Mr Patrick Cormack (South West, Staffordshire, C): The only answer the house needs is a simple one. The word is "Yes". (Cheers.)

Mr Onslow: I am well aware of the position of the House. I do not know what the House does not understand me. (Some laughter and interruptions.)

Earlier, Mr Robert Atkins had said: Now more than ever the threat to Belize from Guatemala

PEACE



Pym: Responding to UN ideas.

Nott appeals to media to respect privacy of relatives

TASK FORCE

On no account must British ships in the task force in the South Atlantic be harassed by giving information prematurely, Mr John Nott, Secretary of State for Defence, said in a further statement to the Commons about the loss of HMS *Sheffield* and the circumstances about the sinking of the Argentine cruiser *General Belgrano*.

The task force, he explained, could not conceivably have any lesser rules of engagement than those the Government issued which were to allow the ships to defend themselves as a first.

Members of the Opposition parties in the House associated themselves with expressions of sympathy with the next of kin of those on HMS *Sheffield* who are missing and their families.

He appealed to press, radio and television to give some privacy to the families of those involved in this tragedy.

Mr Nott, in his further statement about the Argentine attack on HMS *Sheffield*, said:

In the statement I made to the House last night (Tuesday) I provided an outline of the attack on HMS *Sheffield* and the loss of life.

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on the way to communicate with London. (Conservative cheers.)

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New rules on tape recording in Police Bill

By Peter Evans, Home Affairs Correspondent

New rules covering tape recording of police interviews and wider powers to stop and search will be included in a Police Bill being prepared by the Government for introduction in the Autumn.

For the first time since the police were formed, the Bill is expected to introduce codes governing every aspect of the relationship between the police and people who might come into contact with them in a criminal matter.

Greater independent oversight of the handling of complaints against the police will be an important proposal in the Bill. But there is likely to be no provision to give statutory backing to consultations between police and the community, as Lord Scarman wants.

His plea last weekend for his recommendations, made in the report on the Brixton riots, to be introduced as a package is unlikely to be heeded.

Ministers are to decide on the mix of proposals in the Bill this month so they can be drawn up for inclusion in the Queen's Speech in the autumn.

The Bill will broadly endorse the main thrust of proposals 18 months ago by the Royal Commission on Criminal Procedure, which was the first comprehensive review of its kind for a century.

The Government has accepted the principle of tape recording evidence given to the police during interviews, but has been waiting to see the outcome of a limited experiment in Scotland, which has now been extended to Glasgow and Aberdeen.

What is in the Bill will depend upon experience there. Ministers say there is so far no general indication that the principle of tape recording of police questions is proving impracticable. The royal commission recommended its gradual introduction, to be used in indictable cases for the making and reading back of the summary of interview of a written statement.

The Bill is expected to go along with the commission's recommendations that powers to stop and search persons on reasonable suspicion of being in possession

Lawyers press for change on judges

By Frances Gibb

The Law Society is pressing the Government to remove the present block on circuit judges who were originally solicitors being appointed to sit as High Court judges. At present only former barristers can be appointed.

It is intending to put down an amendment to the Administration of Justice Bill which shortly starts its passage through the Commons; the second time in the past 18 months that the society has tried to change the law on this point.

Mr Graham Lee, secretary, professional and public relations at the Law Society, said: "We are not saying solicitors should be High Court judges. We are saying that circuit judges should be entitled to be High Court judges, whether they have been solicitors or not.

"Once someone is appointed a circuit judge, he or she is technically neither a barrister nor solicitor, so why make the distinction?"

Mr David Edwards, another official at the Law Society, said it was illogical that circuit judges could be appointed to sit as High Court judges, if they were good enough, but not if they had been solicitors.

The Law Society's last attempt to change the law was during the passage of the Supreme Court Bill through the Lords. The amendment was opposed by the Lord Chancellor, Lord Hailsham of St Marylebone.

An official from the Solicitor General's office indicated yesterday that the Government's position remained unchanged, and therefore the Law Society will depend for the success of its amendment on the degree of back-bench support it can muster.

Opposing the amendment proposed to the Supreme Court Bill, in March 1981, Lord Hailsham said practice in the High Court depended on knowledge of the complex High Court practice. "I cannot see the smallest possibility of appointing to the High Court bench anybody who had not got, nor 10, but probably more like 20 or 25, years experience of High Court practice, both pleading and advocacy, and in the present situation that means members of the Bar."

If a solicitor felt his role was in advocacy he should follow the path taken by Lord Widgery, the former Lord Chief Justice, and change over to the Bar, he said.

The most likely candidate for the job of assessor would be Sir Cyril Phillips, who chaired the Royal Commission and is now chairman of the Police Complaints Board.

Police in Toxteth riot case cleared

From Arthur Osman
Mold

Two Merseyside police officers will be back on duty today after being cleared yesterday of the manslaughter of a partially disabled man during last summer's Toxteth riots.

A jury at Mold Crown Court found Sergeant Keith Wilkinson, aged 34, of Buttermere Close, Maghull, not guilty on the direction of the judge before any defence evidence was called. Constable James Keenan, aged 30, of Grasmere Avenue, Prescot, was found not guilty on an unconvincing verdict, it was the ninth day of the trial.

In a statement read by Mr Kevin Dooley, a Liverpool solicitor, after they heard the court, both officers expressed their condolences to the dead man's family "and their relief that they have been vindicated by the unanimous verdict of the jury of any criminal responsibility". They said they would "now like to return to the privacy of their families and are looking forward to returning to their normal duties".

Mr David Moore, aged 23, of Wavertree, Liverpool, a partially disabled man was hit by a police van driven by Constable Keenan. The police support unit in the vehicle was commanded by Sergeant Wilkinson.

Solicitors for the dead man's family said later that they would be making a civil claim for damages against the police.

The court had been told that the van had been driven over wasteland in Toxteth on a night of violence to disperse rioters throwing petrol bombs and missiles at a group of unprotected police officers.

After two days of submissions by Mr George Carman, QC for Constable Keenan and Mr John Hazan, QC for Sergeant Wilkinson, it was decided that the case should be



Sergeant Keith Wilkinson (left) and Police Constable James Keenan leaving Mold Crown court yesterday after they had been cleared of the manslaughter of Mr David Moore.

withdrawn from the jury, the judge ruled yesterday that there was no evidence against Sergeant Wilkinson that he had committed the offence. The judge said the sergeant had not controlled or participated in the driving.

In the case of a police officer beginning his manoeuvre for the prevention of crime he had not taken the same course in Constable Keenan's case because the weight of evidence relating to him was a matter for the jury and not himself. There had been conflict between witnesses.

The judge told them: "If at any stage you desire to say that the defendant Keenan is not guilty you are entitled to

say so. Manslaughter cannot be proved unless Keenan showed such disregard for life and safety as to amount to criminal conduct.

This requires proof of a very high degree of negligence going beyond carelessness and dangerous driving."

Before the jury was directed to return a not guilty verdict against the sergeant, the judge said he had not taken the same course in Constable Keenan's case because the weight of evidence relating to him was a matter for the jury and not himself. There had been conflict between witnesses.

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This requires proof of a very high degree of negligence going beyond carelessness and dangerous driving."

After a 30 minutes adjournment the jury returned with a not guilty verdict and judge and counsel paid tribute to the "enormous thoroughness" of the investigation. Police interviewed 1,400 people including 1,200 police officers and 231 officers spent six weeks in Liverpool on that the judge called, a difficult and important case.

New GLC post to help women

The Greater London Council is seeking applicants for the newly-created 17,000-a-year post of women's opportunities adviser (David Walker writes). It is believed to be the first such job offered by any employer.

The job is the latest of a number of senior and well-paid posts announced by the Labour administration. The official will be expected to lead "significant new initiatives aimed at eradicating unfair discrimination in employment".

At the annual meeting of the Labour group of councillors last month it was decided to create a women's committee, which would review GLC jobs to find out if enough women were employed at various grades. Its chairman or "chair", in GLC parlance, is to be Miss Valerie Wise, a noted left-winger.

'Sun' journalists get 9.8pc rise

Journalists at The Sun who had been in mandatory union meetings for the last week, yesterday returned to normal working after agreeing a pay deal. The conditions package worth 9.8 per cent. The deal includes a 5 per cent increase in salaries from April 1, a £500 productivity payment and a payment of £310 plus £13 as partial consolidation of a media allowance. There are improvements to holiday and other benefits. The new minimum salary is increased to £14,600, according to the National Union of Journalists.

Railway death

French schoolboy was killed by a train at Wimbledon, south London, when he tried to walk home along a railway line, thinking he had missed the last train. An inquest at Westminster yesterday recorded a verdict of accidental death.

Bishop's miles

The Bishop of Hereford, the Right Rev John Eastaugh, aged 62, set off yesterday on a 200-mile pilgrimage on foot through his diocese to mark the 700th anniversary of the death of St Thomas Cantilupe.

Teachers' 6 pc

Teachers in Scotland were yesterday awarded a 6 per cent increase, backdated to April, by the Advisory, Conciliation and Arbitration Service.

YOU ONLY LIVE ONCE.

The Metro Vanden Plas is dedicated to the idea that a car's style and comfort has little to do with mere function.

That's why looks better through bronze tinted glass and radios sound better through twin door-mounted speakers.

That a steering wheel only feels right when it's leather bound. The Vanden Plas also takes the eccentric view that wood looks better on doors than plastic, that thick pile carpeting should live up to its name and that a sunroof should be standard even if sunshine isn't.

It believes that passengers ride more comfortably in luxurious Raschelle upholstered seats, surrounded by Metro's remarkable spaciousness.

Yet, paradoxically, the Metro Vanden Plas delivers all this civilised comfort with 20,000 mile service intervals, 50+ MPG fuel economy, the

protection of Supercover with the option of Supercover Plus for years 2 and 3.

And at the remarkably economical price of £4,995. (Just because a car makes you feel like cruising down to Monte Carlo doesn't mean it has to break the bank.)

AUSTIN

Metro Vanden Plas £4,995

BMA backs call to reduce lead pollution

By Our Medical Correspondent

A report on lead pollution which says it is scientifically impossible to set a level at which lead is harmful to individuals was unanimously approved by the council of the British Medical Association (BMA) yesterday.

The report, by the BMA's science and education board, will lend considerable support to the campaign to reduce lead in petrol when it is submitted to the Royal Commission of Environmental Pollution.

The BMA now accepts that studies are showing mental impairment in children occurring at lead levels lower than previously thought harmful and emphasizes that these reports should not be ignored.

The new report says that as there is a high degree of individual susceptibility to damage by lead there is a continuum of harm.

The BMA recommends that lead in the environment should be reduced and that in particular urgent measures should be taken to reduce the amount from sources which might affect women of reproductive age, infants and children.

The scientific board has quoted in the report from the preliminary findings of an experiment in Turin, commissioned by the EEC and a United States Government agency. By using lead with a distinctive isotope in petrol, it has been possible to show that a third of the blood lead level derives from petrol.

After the meeting a BMA spokesman said: "Lead is a biological poison. If the opportunity arises to reduce the concentration by a third the conclusion about what should be done should be obvious to everybody; particularly as it is an accumulative poison, which is only very slowly rid from the body.

"It has a half-life measured in a considerable number of years so that by the time we reach adult life it is already too late to excrete all the lead accumulated in childhood."

Hospital appeal

□ The overcrowded and unsafe working conditions in which research is being carried out at St Bartholomew's Hospital in London has prompted the hospital to launch an urgent public appeal for money (Felicity Jones writes).

The "patient-orientated" research work, which includes investigation into the

Dock union leaders call off strike

By Paul Routledge
Labour Editor

Dock union leaders yesterday decided by a narrow majority to suspend the national port strike due to begin on Monday over the extension of the industry's unique job security system.

The Transport and General Workers' Docks and Waterways Committee voted to put off industrial action to allow time for testing the Government's intentions on bringing up to 80 ports into the National Dock Labour Scheme.

By an undisclosed, but small majority, the committee agreed to recommend to a national docks delegate conference tomorrow that the proposed strike involving 24,000 dock workers should be suspended while proposals are prepared for the Department of Employment.

Mr David Waddington, Employment Under-Secretary, said in a letter to the TGWU, that the Government would give serious consideration to detailed proposals on the extension of the labour scheme to individual ports where employers and workers wanted it.

□ Farm workers could rely on the full support of Britain's largest union, the Transport and General Workers, in future disputes with employers. Mr Moray Evans, the TGWU general secretary, said yesterday (Our Agriculture Correspondent writes).

At a press conference after the merger of the former National Union of Agricultural and Allied Workers with the TGWU, Mr Evans made it clear that the localized nature of many agricultural disputes would not inhibit the union giving "considerable assistance" to members in difficulty.

Leading article, page 13

£15,120 for Antoinette's tender notes

By Geraldine Norman
Sale Room Correspondent

Documentation of the efforts of Count Hans Axel von Fersen to protect and rescue Queen Maria Antoinette from the hands of the revolutionaries was bought by the French Archives Nationales at Christie's yesterday for £15,120 (estimate £15,000-£20,000).

Fersen was the queen's most faithful ally and confidant; whether there was a closer relationship remains unresolved but the tender tone of this correspondence suggests it.

The documentation includes autograph letters from the queen to Fersen from the Tuilleries written in 1791 and 1792, and transcripts of other letters, mostly in Fersen's hand, and many letters from Fersen to the Queen.

There is a chronological bill for the coach, a Berline, in which the queen escaped to Barennes in June, 1791, made out to an assumed name, la Baronne de Korff.

The top price at Christie's sale of autograph letters, documents and manuscripts was secured by a Sherlock Holmes short story, *The Greek Interpreter*, at £15,600 (estimate £12,000-£15,000) to Quaritch.

An important political archive from the first decades of the Greek Republic (1820-60), comprising the personal papers of Petros Argyropoulos and Konstantinos Schinias, some 1,600 pages, went to a London dealer for a Greek client at £12,420 (estimate £8,000-£10,000).

A delightful unpublished story written and illustrated by Edward Lear for Lady Susan Percy, starring Lear himself losing his hat on a windy day made £2,160 (estimate £1,200-£1,500) to F. Fleming, the New York dealer.

Leading article, page 13

HELP the aged and chronic sick.

HELP recently widowed women with children.

HELP with grants for teaching and training young people.

HELP PCAC do this and other vital work.

Professional Classes Aid Council, 10 St. Christopher's Place, London, W.1.

Legal win for Gilbert O'Sullivan

Gilbert O'Sullivan the pop singer won his case in the High Court yesterday for a fair share of the millions of pounds made by his records. He had been exploited by Mr Gordon Mills, his former manager, Mr Justice Mars-Jones said. He awarded Mr O'Sullivan copyright of his songs and the master tapes of his records, together with costs unofficially estimated at £100,000.

Between 1970 and 1978, five Gilbert O'Sullivan single and seven long-playing records grossed an estimated £14.5m, from which Mr O'Sullivan received only about £500,000 before tax.

The judge set aside agreements made between Mr O'Sullivan and Mr Mills and his company, Management Agency and Music Ltd, as they were "an unreasonable restraint of trade".

The hospital has raised already the £3m from its trustees and industry needed to house the 18 clinical departments. But more money is needed to convert and equip the centre, £500,000 of which it hopes to raise immediately from the private sector.

Under threat is the research into the treatment of cancer patients with myeloblastic leukaemia. The department has boosted the potential survival rate of patients with this disease from 5 to 50 per cent.

Shared training

□ A working party has recommended that some of the training of nurses and social workers who provide care for the mentally handicapped should be shared. It has not, as was hoped in some quarters, come out in favour of a single form of training.

The working party, composed of representatives from the three United Kingdom nursing councils and the Central Council for Education and Training in Social Work, has agreed a plan of action intended to form the basis for a cooperation and shared training. It is proposed that students for the registration as nurse for mentally handicapped people (RNMS) and the Certificate in Social Service (CSS) would join together for theoretical and practical learning where the position of training centres made it feasible.

In *Cooperation in Training*, the working group says: "By learning together for part of their courses, students will cultivate the mutual respect and understanding necessary for closer cooperation between health and social services in promoting improved services for mentally handicapped people."

A completely new form of combined training, however, has been ruled out. The working group saw this as a threat to the identity of the two professions.

Back in print

Machine room workers at the Eric Bensrose printing works, Liverpool, have resumed normal working, pending a meeting about their pay dispute on Monday. An unofficial strike by 168 men last week halted production of *The Sunday Telegraph* and *News of the World* magazines.

Benefit ruling

A teacher who voluntarily took advantage of an early retirement scheme was not entitled to unemployment benefit for the first six weeks after leaving his job, the Court of Appeal in London held yesterday. Permission to appeal to the House of Lords was refused. Law report, page 29

BR bargains

From May 17 British Rail is to run an all first-class overnight train in each direction between London and Scotland with single fares starting at £12 — one third of the ordinary first class single fare. This is to win back passengers lost to coach travel.

Inquiry sought

Mr William Homeward, Labour MP for Kettering, yesterday called for an inquiry into the safety record at the British Steel Corporation plant at Corby, Northamptonshire, where three demolition workers have been killed in the last 15 months.

Funerals halted

Crematorium staff in Liverpool voted yesterday to join the strike by the city's gravediggers from May 17. They said they will honour funerals up to date, but are not taking new bookings.

Farmers fear a return to the wilderness

From John Young
Agriculture Correspondent
Stoke-on-Trent

"Not so long ago a farmer could be evicted for not doing his job properly," Mr Dick House (right) recalls. "Now it seems they want to penalize us for doing it too well."

"We are being asked to become bad farmers," he claims, gesturing towards the flat pasture on which his family have kept cattle for generations. "If they have their way, I can see this area reverting within five years to what it used to be, nothing but rushes."

"They" in this case are the Nature Conservancy Council which recently announced its intention to designate 2,500 acres of West Sedgemoor, part of the so-called Somerset Levels, as a site of special scientific interest (SSSI).

It was a bold step and one which will provide a searching test of whether the Wildlife and Countryside Act, devised by conservationists as too feeble and by farmers as impracticable, can be made to work.

The farmers affected are bewildered and resentful. Mr Bert Betty, who was the first farmer to drain land on West Sedgemoor, at the suggestion of the Ministry of Agriculture, cannot believe that the



Luxury lavatory: People queuing outside Britain's first Automatic Public Toilet in Leicester Square, London, when it opened yesterday. The lavatory, for men and women, is open 24 hours a day and costs 10p to use. It is the first of three of similar design to be sited in the West End for a six-month experiment.

Falklands dominates voting today

By Richard Evans and David Walker

LOCAL ELECTIONS

Millions of voters in England and Scotland go to the polls today in council elections dominated by events 8,000 miles away in the South Atlantic.

Having totally overshadowed the political campaign which has preceded the poll, the Falklands crisis looks set to play a significant role in deciding the political make-up of many of the 183 authorities where voting takes place.

Opinion polls have indicated a considerable strengthening in Conservative support, coinciding with the Falklands issue, but yesterday party managers were uncertain what effect the destruction of HMS Sheffield and a Sea Harrier would have on voters' intentions.

In London and the Home Counties in particular, Britain's dispute with Argentina appears to be uppermost in electors' minds, rather than local issues, and the outcome of the contests will be seen in some quarters as a public verdict on the Government's handling of the crisis.

In many authorities only a third of sitting members are up for election, but there are "all out" fights in London's 32 boroughs, nine Scottish regional councils and 10 metropolitan districts, including Manchester and Birmingham.

The Social Democratic Liberal Alliance is fielding candidates in nearly all the 4,800 seats being contested and their participation has been promised, until international events intervened, to make those elections the most fascinating for decades. The alliance, fighting its first nationwide campaign, has suffered more from the lack of press attention given to the elections than its established political opponents, and in several areas sanguine predictions by SDP activists have been whittled down to hopes of gaining a "few seats".

The Conservatives, defending gains made four years ago at a time of acute Labour unpopularity, have fought a deliberately low-key campaign and had feared heavy losses until the recent revival in their fortunes. They are hoping their concerted attack on "spendthrift" Labour authorities combined with the patriotic fervour will be to their advantage.

Uneasy anniversary

Year after Sands death Maze protests continue

From Craig Seton, Belfast

A year after Robert Sands died on the 66th day of his hunger strike in the Maze Prison H-blocks in Northern Ireland, more than 200 republican prisoners are still protesting over the conditions which the Government has always considered would grant them political status, but now they are merely refusing to do prison work. The so-called blanket and dirty protests that brought the hunger strike into world headlines over several months, are a thing of the past.

The republican movement says that 260 to 270 are still protesting about four of the five demands which were never granted: free association, no prison work, segregation from other prisoners and specific demands about the receipt of parcels from families and full visits from outside.

The night before, only three petrol bombs had been laid in Catholic west Belfast and yesterday there was a small ceremony outside Sands's former home on the Twink Brook Estate.

The inquiry will "examine the finances of the railway and associated operations... designed to secure improved financial results in an efficiently run railway in Great Britain over the next 20 years". Mr Howell wants a report in six months' time.

According to the Northern Ireland Office, 220 republican

prisoners are still protesting over the conditions which the Government has always considered would grant them political status, but now they are merely refusing to do prison work. The so-called blanket and dirty protests that brought the hunger strike into world headlines over several months, are a thing of the past.

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The inquiry will also be taken up by the rest of the British Airports Authority's case for turning Stansted airport in Essex into the third airport. But Mr Eyre is also to consider the case for building the airport at Maplin sands.

The inquiry will also be halted for a few days to make room for a short separate inquiry into the fate of the present Stansted runway.

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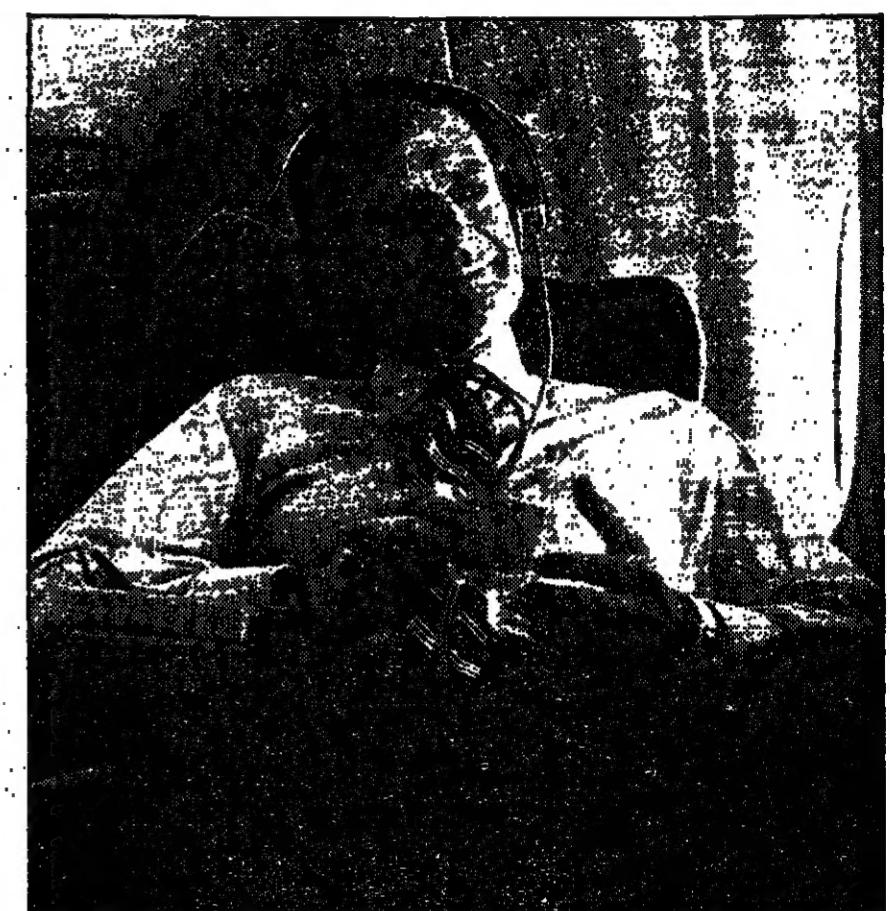
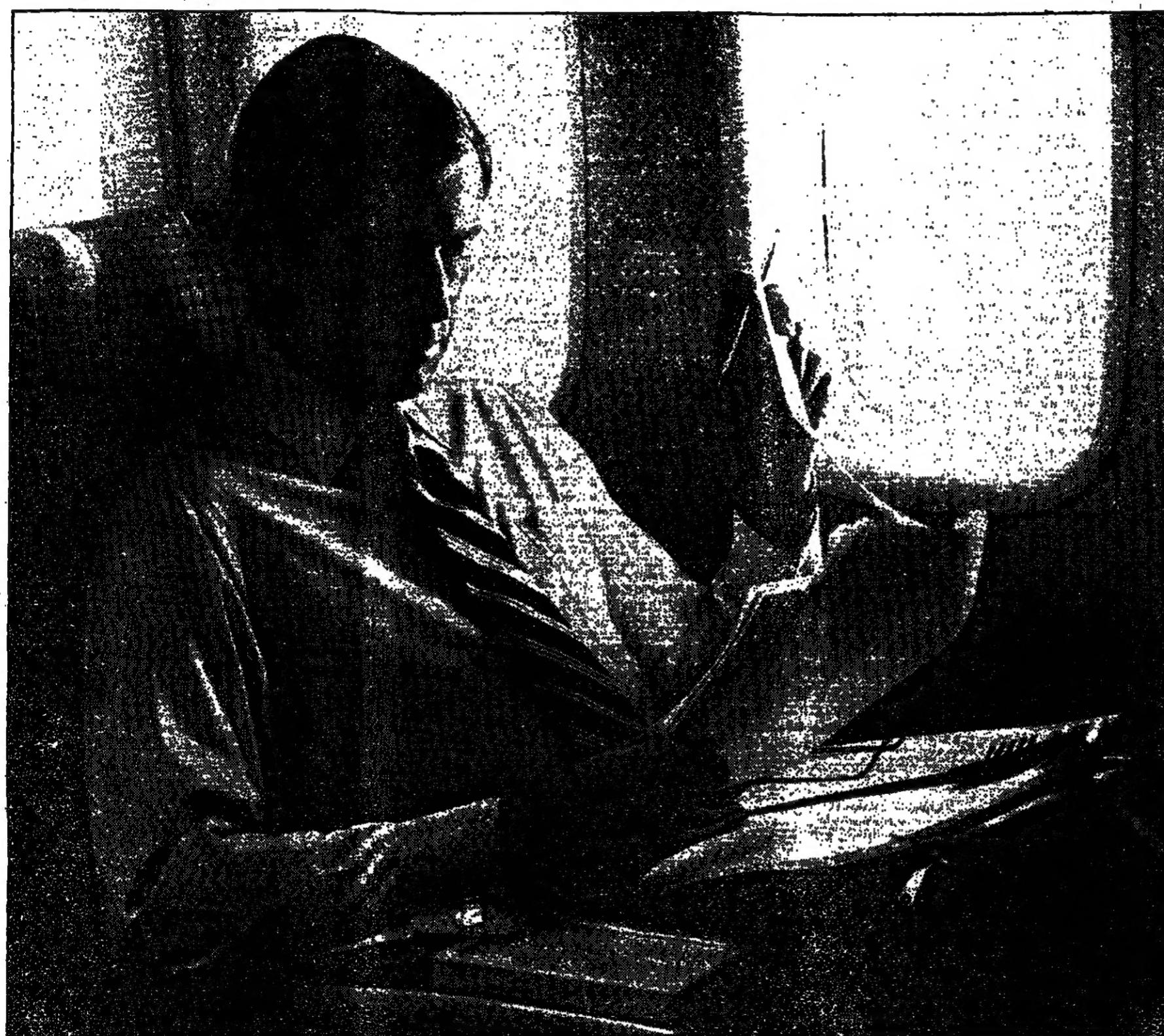
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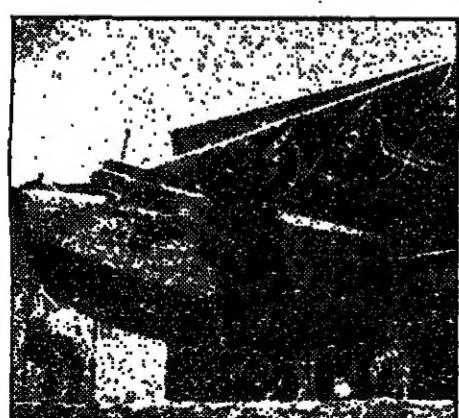
Vatican
replies
to 'unity'
report

By Clifford Longley
Vatican Religious Affairs
Report to the American
International Conference
both practical
and moral
discussions
continued and wide
ranging
will be
Congregations
the
document

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Use of live rounds in Gaza defended

From Moshe Brilliant
Tel Aviv, May 5

The toll of violent deaths in the occupied West Bank continues to mount. Four Arab teenagers were killed last night in a mysterious explosion in a gully near Jenin, while a 14-year-old girl died today in a Jerusalem hospital after being shot in the head on Sunday, apparently by an Israeli civilian.

An army officer in the Jenin refugee camp in the Gaza Strip fired live ammunition this morning to break up a demonstration. The military command said shots were fired at the rioters' legs to repel a mob attack on a small military position in the camp. The Israelis said two Arabs were injured.

Arab sources said six young men and a young woman were hurt.

The independent Israeli newspaper *Haaretz* claimed today that casualty figures in demonstrations were higher in the past month and a half than in the previous 15 years of Israeli occupation — nine Arabs and two Israelis killed and 30 soldiers, 19 Arabs, 16 Israeli civilians and four foreigners injured. Today's toll is not included.

In Jerusalem today, Labour Party deputies criticised Lieutenant General Rafael Eitan, the chief of staff for the use of live ammunition against demonstrators. He replied that this was done only as a last resort after warning shots, tear gas and rubber bullets failed.

Critics said it was curious that bullets aimed at people's legs should have killed them. They said civil disobedience had escalated since the Israelis installed a civil administration on November 1 to replace the military. The general claimed the unrest was provoked by agents from abroad on orders from the PLO in Beirut and Damascus.

Military sources said the cause of the blast that killed four Arabs in Yabed, near Jenin, was being investigated.

Arab villagers said the area had been a Jordanian mine field. Israeli Army investigators searched the homes of the victims and summoned families for interrogation.

Tension rose in Nablus where Israeli troops set up a position on the roof of a soap factory owned by the prominent Toukan family. Local residents said they counted 500 sandbags raised to the roof.

Mr Sharon, the Defence Minister, visited the position today and worried Arabs suspect it is a nucleus of an Israeli settlement. They said they were reminded of a case in Hebron where troops set up a position on the roof of a building. The building was later turned over to Jewish militants for settlement.

A member of Mr Sharon's staff scoffed at the idea.

Head of nuclear power project killed by ETA

From Harry Debelius, Madrid, May 5

In its first act of direct, violent confrontation with the Basque home-rule Government, the ETA secessionist movement today murdered the chief engineer of a nuclear power plant under construction in Bilbao, just as they killed his predecessor less than 16 months ago.

The attack occurred on the morning when representatives of the home-rule Government were to sign documents in the regional capital, Vitoria, transferring responsibility for the operation of the nuclear plant from the privately owned Iberduero Power Company to the regional authorities.

The timing of the attack made clear that the ETA would continue its campaign against the nuclear installation even after the project received political support from elected Basque officials.

Four gunmen in a parked car shot dead the engineer, Señor Angel Pascual Mugica, as he was driving to work in Bilbao. His 13-year-old son Inigo, a student, who was with him in the car, was slightly injured by flying glass.

Two bodyguards, apparently travelling in another car, fired at the terrorists as they made their escape. The car they used in the attack and for their escape, which was stolen earlier this morning, was found soon afterwards in another part of the city.

The murder was part of an increase in ETA violence in support of a demand for the

power plant."

Peking awaits Bush visit with optimism

From David Bonavia, Peking, May 5

The impending visit to China by Mr George Bush, the American Vice-President, takes place at a time when a measure of cautious optimism has been apparent among American and Chinese officials over their relations.

Despite the serious problems associated with the quarrel between Peking and Washington over Taiwan, some of the tension was taken out of the air last month when China did not reduce the level of diplomatic relations because of President Reagan's sale to Taiwan of military spare parts estimated at \$35m (£21m).

China has continued to call American sales of arms to Taiwan a "time bomb" in relations with the United States. But it is extremely reluctant to reduce relations to charge d'affaires level as a mark of its displeasure. However, it is still not ruled out.

Chinese officials have time and again emphasized that, serious though the dispute over arms sales is, it remains a problem of bilateral relations which is capable of solution.

Mr Zhao is, however, known as a tough and acerbic negotiator.

■ Mr Han Nianlong, China's veteran Deputy Foreign Minister, has been removed in the latest stage of the Government reshuffle aimed at trimming the country's sprawling bureaucracy (Reuters report).

Since then, however, the White House seems to have become somewhat more aware of the strength of Chinese feelings on this matter, and has apparently shelved the idea of selling certain advanced new military aircraft to Taiwan.

Mr Bush's current mission is cosmetically arranged to

avoid the impression that he is coming to Canossa, falling as it does after other visits he has been making in the Pacific region.

Even if he makes no substantial progress in his talks here, he may be able to persuade America's allies that the situation is well in hand. Japan and the Nato countries have been urging the Americans to remove this logjam in their relations with China, even though those countries could profit to some extent if Sino-American trade were affected.

So far this has not happened, and indeed China would be hard-pushed to feed its people without American grain sales.

The Chinese Government

may be able to negotiate a little more flexibly since the recent big reshuffle, which has increased the manoeuvring room of Mr Zhao Ziyang, the Prime Minister, with regard to conservative elements in the Communist Party and Army who may be critical of the way the Taiwan issue has been handled.

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known as a tough and acerbic negotiator.

■ Mr Han Nianlong, China's veteran Deputy Foreign Minister, has been removed in the latest stage of the Government reshuffle aimed at trimming the country's sprawling bureaucracy (Reuters report).

According to the New China news agency, Mr Han, who held the post since 1964, had been replaced a senior Deputy Foreign Minister by Mr Wu Xueqian, and now deputy director of the Communist Party's International Liaison Department.

Double voting charges in Indonesian election

From David Watts, Jakarta, May 5

The Government Golkar Party had a comfortable lead tonight as provisional results from the Indonesian general elections continued to come from the archipelago and appeared to have won by a narrow margin in the capital.

The Jakarta victory is likely to be a controversial if not pyrrhic success, since it reverses the situation at the last election when the opposition Muslim United Development Party (PPP) won the capital and it runs against the indication of the large, enthusiastic crowds that have attended Muslim rallies.

Thousands of PPP voters, meanwhile, had been deprived of the forms for them to go to the polls. Mr Lubis said the PPP had had complaints not only from Jakarta but from Medan, Pandang, Ujung Pandan and Semerang.

Significant numbers of voters would be affected, but it was not possible to say to what extent it might affect the results of the election. Full results are not expected till June.

In 1982 this double voting has been more widespread and more numerous than it was at the last election in 1977, Mr Lubis said.

"I'm not accusing the Government of rigging the vote," said Mr Lubis, "But the way the results have come out there seems to be a certain purpose behind it." He said it was difficult to predict the emotions of PPP followers and warned the electoral commission that it was "fishing for trouble".

Mr Nuddin Lubis, deputy chairman of the PPP, said that even before voting began yesterday thousands of voters had been issued more than one polling form, one of which each elector had to present before voting. He

was seriously injured but although Mr Lubis has since been released, Mr Irwan and a second student, Mr Raffendi Djamin, rearrested at the same time, have not been.



"See? We're even watering it!"

St Lucia back in its groove

From Jeremy Taylor
Port of Spain, May 5

Monday's general election in St Lucia put a decisive end to nearly three years of flirtation with political change and returned the island's 120,000 people to the familiar leadership of the late 1960s and 1970s. The United Workers' Party of Mr John Compton, the former Prime Minister, was swept back to power with 14 of the 17 seats in the House of Assembly.

Mr Compton was Prime Minister for 15 years until he was defeated by the St Lucia Labour Party soon after independence from Britain in 1979. He is expected to continue his pro-Western foreign policy and to concentrate on restoring the island's economic growth.

The SLP, which held power for most of the last three years, managed to hold only two of the 12 seats it won in 1979, while the left-wing Progressive Labour Party of Mr George Odium, which broke away from the SLP last year, took the remaining seat.

Mr Compton is faced with the task of halting St Lucia's economic decline and boosting its crucial tourist and banana industries. He can expect some American support; his victory will gratify Washington.

Guerrilla dies



Rome. — Giorgio Vale, one of Italy's most-wanted right-wing urban guerrillas, died in hospital after being shot during a police raid on his Rome hideout. Signor Vale, aged 21, was suspected of being involved in a string of killings and the Bologna station bombing which killed 85 people.

Six up Everest

Karmandu. — Six Soviet climbers, ascending in pairs, had reached the summit of Mount Everest by yesterday.

Valentin Ivanov, of Moscow, and Sergei Yefimov of Sverdlovsk and two Ukrainians, Sergej Besshov, of Kherkov and Mikhail Turkevich, of Donetsk, scaled its 29,000ft peak while Eduard Myslovsky, (Moscow) and Vladimir Balyberdin (Leningrad) were descending. The Ukrainians, whose job was to supply food and oxygen to the latter pair, decided to go to the summit themselves.

Last round-up

Kanab, Utah — Sinbad, the horse used by President Reagan when he hosted the Western television series *Death Valley Days*, is dead — killed by a bolt of lightning at the age of 20. Sinbad was retired from show business several years ago and spent his time munching alfalfa and entertaining children.

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Doctors stabbed

Stockholm. — Two doctors were stabbed to death and four other people seriously wounded when a patient requesting treatment went berserk in the Fruängen medical centre here. A 35-year-old Yugoslav, was caught by a taxi driver and on the guerrillas who net them as soon as they had come within shooting range.

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Sudan in difficulties

Gaddafi blamed for Nimeiry's troubles

From Charles Harrison, Khartum

Political problems resulting from rivalries in his own Army, bickering and ineffective leadership from the ruling Sudan Socialist Union, and conflicting demands from the south for the creation of additional regions, are only some of the difficulties now facing President Jaafar al-Nimeiry.

They are made more serious by an economic situation which experts describe as disastrous, caused by a high level of imports, lack of efficiency in industries and services, and an enormous debt burden.

Yet President Nimeiry, who has been in power since 1969 — by far the longest term served by any Sudanese leader — insists that the recurring crises are not crucial to either his own survival or to the continuation of Sudan's pro-Western policy.

"I can remove my deputy, and have as many deputies as I want," he told me. "If any deputy is not working according to my plan, I will take him out."

Similarly, he plays down the importance of the riots which broke out earlier this year after sugar prices, always a hot political issue, had been raised as part of a new economic recovery programme. He says the student agitation against the sugar price increase was a result of Libyan agitation. Although there is no evidence of this, the student body is certainly open to influence from Muslim fundamentalists, including Libyans.

President Nimeiry is preoccupied by the alleged Libyan threat, although even some members of his own Government do not see it as a serious affair. His opponents say it is used as a diversion to cover up some of the Sudan's own problems, particularly the rising prices of sugar, bread and other commodities.

An exhibition of captured arms smuggled in from Libya by Sudanese dissidents, who were allegedly supplied with them by the Libyan authorities, has been given wide publicity in Khartum. But the few mortars, machine guns, rifles, grenades and booby-trapped portable radios could constitute no more than a nuisance.

There are worrying signs that the recent link-up between Libya, Ethiopia and South Yemen is being used to encourage opposition in the Sudan. Libya's shortage of foreign exchange.

The Sudan is firmly in the Western camp, and is accepting substantial military and economic support from the United States. This has brought criticism from some other Arab states, and is partly responsible for Colonel Gaddafi's opposition.

The complicated question of a division of the present southern Sudan is far from settled, although President Nimeiry has, for the present, overruled proposals for the creation of three separate regions in the south to decentralize government services.

But the elections now taking place for a new president of the Southern Region will revive this issue, and it will continue to demand attention. Members of the Dinka tribe, the largest in the south, want to retain one region, but other tribes say they want to end Dinka "domination".

In the meantime, the lengthy queuing at petrol stations, and the staggering black-market prices for petrol in some remote places, are evidence of the Sudan's shortage of foreign exchange.

The office of the United Nations High Commissioner for Refugees said that the problem was under careful study and emphasized that the recent severe tightening of resettlement programmes resulted in new arrivals having greatly reduced resettlement prospects.

Mr Lewis Davies, the Hongkong Secretary for Security, pledged that a strong police presence would be maintained.

It is expected that the refugees who made their second escape to the vacated camp will soon be returned to the Kaitak North camp.

Hard-labour punishment has been proposed for arrested refugees.

The sources expected that the contact group would meet in the course of the next fortnight or so to re-appraise their position.

In the meantime, it has been confirmed that Dr Chester Croker, the American Assistant Secretary of State for African Affairs, who has been leading the Western Group, will meet senior South African officials in Switzerland next week (not this Thursday as originally reported) for confidential talks on the Namibian issue.

Africans reject Namibia scheme

From Michael Hornsby
Johannesburg, May 5

Black Africa's "front-line" states have rejected as sterile the current Western attempt to secure a negotiated settlement of the Namibia question, and declared that it should be set aside in favour of a "Geneva-type" conference under the auspices of the United Nations.

This statement — the most serious setback for the Western negotiating effort since it began towards the end of last year — was issued after a meeting yesterday in Dar Es Salaam, the Tanzanian capital, of "front-line" foreign ministers and Mr Sam Nujoma, the President of Swapo (South-West Africa People's Organization).

The meeting was convened at the request of the Swapo leader, whose guerrilla forces have been fighting a bush war against the South African Army since 1966 for Namibia's independence. The territory was a German colony until the end of the First World War, but is now occupied by South Africa in defiance of international law.

The Dar Es Salaam meeting, which was attended by Zambia, Mozambique, Botswana, Zimbabwe, Kenya and Angola in addition to Tanzania and Swapo, gave its full backing to Mr Nujoma's rejection of the latest Western settlement proposals, dealing with the election of a constituent assembly in Namibia, and also to his call for a new international conference to tackle all outstanding issues.

In what was perhaps the most significant passage in their communiqué, the foreign ministers said that they "shared Swapo's deep disenchantment with the current protracted and sterile phased approach to a negotiated solution of the Namibian question as proposed by the (Western) contact group".

This is a reference to the strategy, pursued since last autumn by America, Britain, Canada, France and West Germany, which seeks a settlement by stages, getting agreement first on the broad shape of Namibia's constitution, and then going on to other matters such as the size and deployment of the United Nations force that would be sent to keep the peace in the run-up to independence elections.

While Swapo and its African allies have frequently objected to specific aspects of the West's proposals, they have not previously expressed such strong dislike of the whole negotiating procedure.

Western diplomatic sources, who were still digesting the implications of the latest African statement, today pointed out that the last-in conference of this kind failed in Geneva in January, 1981 — and that present phased negotiations were in part a response to that failure.

TEXAS

"Think of Texas as a country": Texans often tell strangers. The advice is superfluous; there is no other way to think of it. Texas is bigger than any European country except the USSR; the whole United Kingdom would fit into it almost three times; it stretches halfway from the Mexican to the Canadian border, and a third of the distance from the Atlantic to the Pacific. It is 245 times as big as Rhode Island, the smallest of the 50 states.

Where legend lives in the good daily life

Everything in Texas is big, in fact and legend, until the two are indistinguishable. One discovers that one governor, Mr. Richard B. Hubbard, weighed more than 400 pounds. Why not? It's Texas. When I lived there, a paid obituary in a cattle journal announced the death of Mr. Brankala, a bull of more than 2,000 lbs, a cross between an Angus and a Brahman which had left 3,000 ampules of semen. By any Texas standard, it did not seem prodigious.

Texans had been renowned and disliked for boasting of their bigness, until one of the best known writers among them said: "Texans should learn silence". But this must be understood of Texas: the closeness of legend to fact, and of fact to legend, is striking and telling. The popular concept of the Texan, as one Texan historian says, still has vitality and meaning in daily life. In spite of the relentless pressures of national integration and homogenization, Texans are still regarded by themselves and others as people with a difference.

Texans even now talk of the United States as if it were a separate nation in which Texas is joined only by a treaty of convenience. They have some justification in both history and law. Texas joined the United States very much on its own terms. When it was admitted to the Union, it was given the right, if it should ever wish to do so in the future, to divide itself into more than one state. By turning themselves into five states, each the size of New

York, Texans could have 10 instead of two United States senators.

Of more immediate importance is the control of its public lands is much more in its own hands and not those of Washington than is the case in other states. This has encouraged the obsessive passion for land speculation that has been a persistent feature of Texan life. Given the size of the land and the scale of much of the ranching and farming, this speculation had always been the root of both the fact and the legend of the Texans' easy fortunes. The get-rich-quick Texan was a legend long before the oil gushed.

The discovery of the oil only magnified the speculative possibilities in land which was already rich in timber and crops and cattle. That it made huge fortunes overnight for so many people was again not a new phenomenon in Texan life. Even before Spindletop blew its black gold out of the ground, the land itself had made the Texan of fact and legend: the confident and free-swinging entrepreneur.

Wealth is not regarded in Texas as a commodity to conserve. The Texan does not think of himself merely as a custodian. As an individual, he used it for a good and extravagant life. (When a Texan talks of the good life, as he is apt to do, one can see and touch the things which make it good.) As a businessman, he uses it to make yet more by calculated risks. The millionaires who import snow from the Rockies for their parties indulge in no less

expansive schemes in their businesses.

In a state whose people live more by plunder than any comparable number of people anywhere else in the modern world, it would be an invitation only to disappointment and even to cynicism to expect either its political or its social life to be virtuous. A Texan wrote to his mother in 1836 as a Texan might still write: "Mother, I am afraid the way from Texas to heaven has never been blazed out."

Texans do not only plunder their own land. To them it is part of their treaty rights to plunder the rest of the United States. They plundered the federal government during the New Deal more than any other state, and they show their gratitude: driving from Houston to San Antonio you pass through a town appropriately called New Deal. But it is now dying, bypassed by the expressway.

For there is more now, elsewhere, for the Texans to plunder. For several years now they have plundered the U.S. armed services, using the political clout that was perfected by Sam Rayburn and Lyndon Johnson, to bring army and air force bases to the state, and also huge and ever-multiplying contracts for its old and new but ever-expanding industries. The U.S. armed services, Texans are not unwilling to boast, is one of their cash crops.

It would be disillusioning also to go to Texas and expect it to be non-violent. A visitor who noticed in the early days that its natural

death rate was low in comparison with other states, said that Texans made up for it by particularly practising mortal combat with each other so that Texas would lead the nation even in this. Texans are not now so quick to draw, yet the violent settlement of disputes is common.

The Texas Rangers now ride in cars, sometimes switching to boats and aircraft, but always with a saddle in the boot.

Yet with it all, these people with a difference are among the most attractive in America, and the difference counts. The long years of bloody encounters with the Mexicans, a civilized people, left a different mark than the encounters of other Americans with the Indians. They are also the only state which was an independent nation before it entered the Union. The ten years of the Republic of Texas still give them a unique identity.

For these and other reasons, as one Texan historian has recently said, they are frontiersmen still, but adjusted to the modern world in a unique way. One can meet no real Texans without finding them, as he says, adventurous, mobile, aggressive and adaptive; strongly individualistic and yet egalitarian; optimistic and utilitarian; volatile and chauvinistic, which spills into provincialism and race-arrogance.

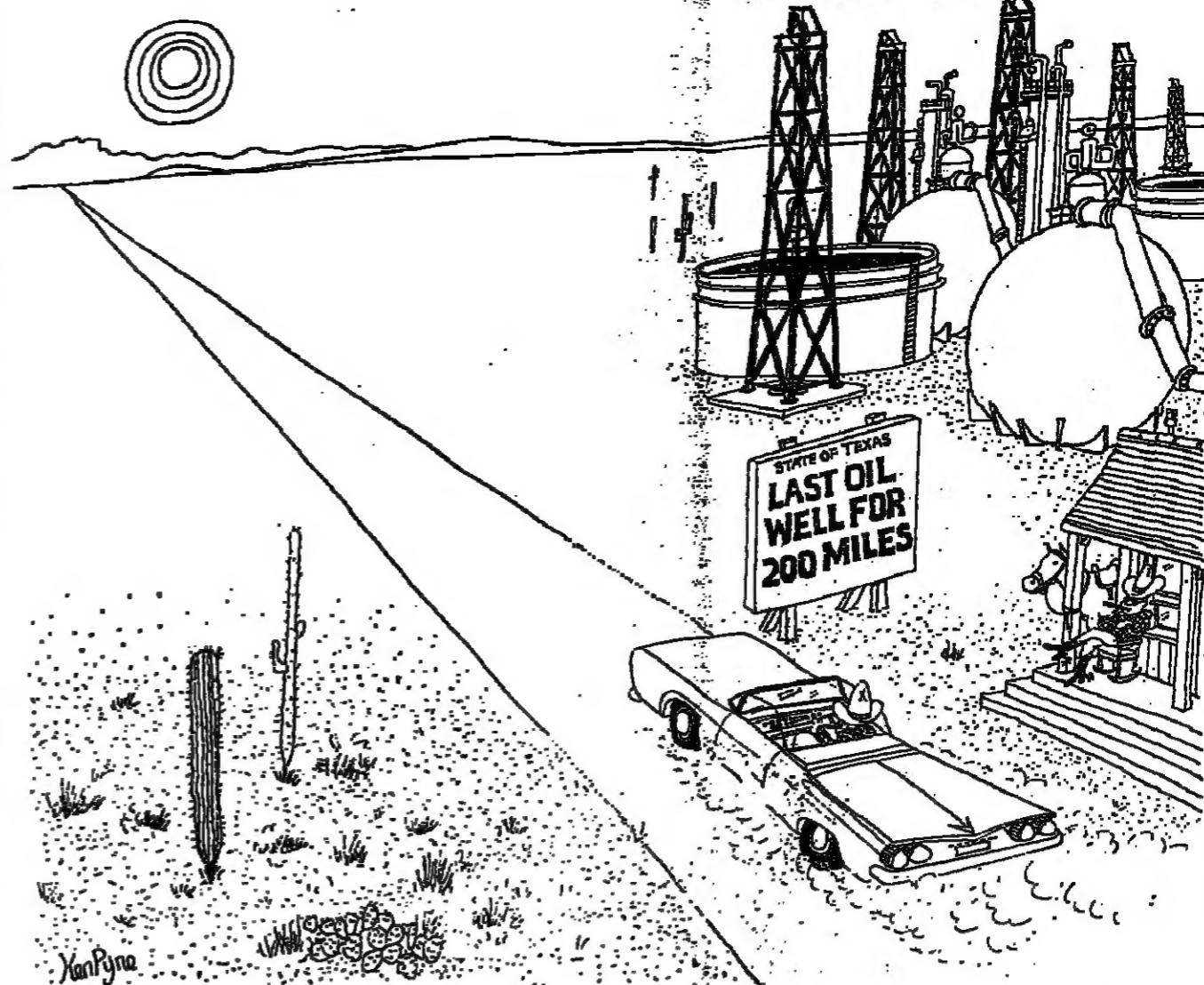
But the vitality is irresistible, and with the vitality is the generosity, so ready a generosity and so unclinging. For in this is the spaciousness of their land. I once drove the whole length of it from north to south, starting on ice-packed roads, arriving at last on subtropical golf.

There is the timber, all round are the great plains, in the middle is the hill country, a gently rolling land of goat ranches. Driving as the sun set on evening, white-tailed deer grazing everywhere, we suddenly found ourselves in the middle of a herd of buffalo.

In the Mercedes-Benz convertible with the top down, the south fork of the Guadalupe, clean and sparkling, flowing softly at the foot of a hill, there was only one thing to do. I burst into song with such tune as my voice can manage: "Give me a home where the buffalo roam, and the deer and the antelope play".

Everyone has their own Texas. Mine is there but also in the flaring petrochemical industry on the ship channel. Why have to choose in a state which is a country?

Henry Fairlie



As the gushers dry, what now?

In Texas car bumper stickers still exhort passers-by to get an oil well, but the energy euphoria of the last couple of years is ebbing away.

The rapid decline of the oil price, reversing the sharp rise in the United States after President Reagan lifted regulations, high interest rates and the recession in the economy are all taking their toll.

Major groups may still be spending more on Exxon's domestic capital and exploration spending this year is expected to rise 25 per cent to \$6,000m, but for many independents and oil service companies the boom, while not going into a bust, is slackening off.

As Mr. George Mitchell, of Mitchell Energy and Development Corporation, one of the larger, very successful independent groups put it: "You're going to see a pretty tough year, this year."

His company last year had an energy budget of \$450m. This year that has been cut to \$300m and may be cut again, depending what happens to interest rates. From 360 wells drilled in the continental United States last

year, Mitchell Energy will drill between 250 and 275 during 1982.

Refining — 25 per cent of the nation's capacity in the Houston and Gulf area — is in the doldrums and the petrochemical industry is depressed.

No one believes that the search for oil both worldwide and in the United States is going to tail off permanently.

"It's going to continue to grow through the rest of this century," said Mr. Bill Kistler, president of the Drilling Tools and Equipment group of Hughes Tool, the Houston-based rig equipment manufacturer. "We are going to have to continue to rely on oil and gas as the major energy source." Texas is really where the modern oil industry started, with the first discoveries of the giant fields that revolutionized its development.

Texas itself has since gone into a long-term decline as an oil producing region. Despite increased drilling over the last couple of years, production of oil and gas has continued to drop and reserves, if nothing new were found, would be exhausted in less than eight years.

Nevertheless, oil price deregulation, and the spurt in prices following the Iranian crisis, have made many marginal prospects profitable. Many new operators

have come into the area. Well over half of the most active independents in Houston were not there 15 years ago and between 40 and 45 per cent of them were not there ten years ago.

These independents do not confine their activities to Texas. Sanders Oil and Gas, a small independent in Dallas, has acreage in the Abo trend in Chaves County, New Mexico. This is a "tight gas" area, which means that because the structures need to be fractured to gain production, a higher price can be obtained under government control — gas is still regulated — than from simpler structures. Sanders will actually be drilling more wells this year than last. Last year it could not get the acreage it wanted at the right price.

Competition is fierce. Mr. Ted Sanders, a vice president, reckoned that there were three to four times the number of operators interested in prospects than there were five years ago.

There are signs, however, that interest is flagging. Investment is unlikely to flow into speculative drilling ventures this year, the way it

Continued on facing page

THE FINANCIAL STATE OF TEXAS

Texas is a step ahead. And we're right in step with Texas.

The Texas economy is unique and diverse in its composition. A rare combination of industries has served to keep the state well above national averages in terms of both production output and employment growth. It has also kept the regional economy relatively stable, even in times of national economic unrest.

The state of prosperity.

Energy in Texas is a multifaceted industry. With respect to petroleum, Texas leads the nation in reserves of natural gas and natural gas liquids. And it holds 28.2% of the U.S. total of crude oil reserves.

Texas is also a major agricultural center, with 138.4 million acres of farms and ranches. Although Texas is known best as the nation's largest cattle producer, crops have played an increasingly important role, contributing to roughly half of the total value of Texas agricultural output.

Manufacturing in Texas was once heavily dependent on petroleum production and refining. But in recent years,

the field has expanded into computers, transportation equipment, and aerospace and communications products. A favorable business climate has encouraged this expansion and has attracted both foreign and domestic investment to the state.

Growth of the Texas economy has led to growth in construction. In 1980, when many states experienced construction declines, Texas construction expanded and logged its second-best year on record.

Today, Texas ranks second in construction value and is expected to maintain its status as a national leader.

Trade and transportation demonstrate Texas' domestic and international importance. Texas boasts 72,400 miles of designated highways and 79,400 miles of pipeline. This, combined with 400 miles of Intracoastal Waterway and last year's substantial increase in international air cargo, makes Texas the national leader in movement of goods and services.

The state of opportunity. This balance of opportunity and economic diversity has

made Texas the land of opportunity. Consequent relocation of business, industry, and their workers demonstrates the expansion and stability of the Texas economy. Even with rapid population growth, the Texas unemployment rate has remained lower than national averages, largely because of the state's job-creating capabilities. The state of First City.

First City National Bank of Houston is the largest financial institution in the largest city in Texas. We're part of First City Bancorporation, with more than 50 member banks and more than \$14 billion in assets.

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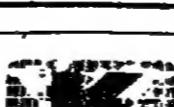
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مكتبة من الأجل

Banking: rapid growth despite a legal straitjacket

In little more than a decade banking in Texas has changed out of all recognition. Although Houston and Dallas are not, and probably never will be, financial centres of the type and scale seen in New York, London or Hong Kong, the area has quickly established itself as a place where it is essential for international banks to be.

Growth has been very fast indeed. Total bank deposits in Texas increased by 212 per cent to a total of \$52.205m between 1970 and the end of 1981 compared with an increase nationwide of 154 per cent to September last year.

Coupled with this growth has been a sharp rise in competition as foreign banks and domestic banks outside Texas have set up operations. So far Houston has taken the brunt of the expansion following the energy led growth of the city. There are now 64 foreign banks operating in some way in Houston compared with only 15 in 1976. But Dallas is seeing the impact too with five foreign banks and 18 non-Texas banks competing for business.

Texas has very restrictive banking laws. It operates under what is known as a unit banking system. This outlaws branch banking and means that each bank must be incorporated separately with its own board of directors.

In the minds of many people around the world the words "Houston" and "Mission Control" are synonymous. The city of Houston and the National Aeronautics and Space Administration's Lyndon B. Johnson Space Centre have been identified as a single entity almost since the space centre site was chosen in 1961 and their special relationship began.

The rest of the world shared in that sense of unity of identity when the first words spoken by men standing on the surface of the moon were radioed back to earth, beginning: "Houston, Tranquillity Base here — the Eagle has landed." Since that July day in 1969, the Johnson Space Centre has won the world the visionary Mercury, Apollo and Gemini space programmes and now has responsibility for the Space Shuttle programme. "We excited the world", said Dr Christopher Kraft, the director of the Johnson Space Centre, who made his first trip to Houston when the 1,620-acre NASA site was still a cow pasture.

"At the time we moved here the city was in the throes of deciding whether rapid development was the answer or not. The atmosphere surrounding our programme contributed to the futuristic outlook of this particular area of the country and added enormous impetus to the development of Houston."

The Johnson Space Centre was officially opened in September 1963 with a mandate to design, develop and test spacecraft and associated systems for manned flight; to select and train astronauts; to plan and conduct manned

missions; and to participate in medical, engineering and scientific experiments to help man understand and improve his environment. Situated 25 miles southeast of central Houston, the NASA facility and its staff rapidly became a major influence on the developing city, lending a charisma to the metropolitan area. "Our greatest contribution has been to education in the area", Dr Kraft said. "Because we are an educated group of people we helped develop the schools and the outlook of the universities, not just in research but in a wide-ranging area of programmes.

"Downtown Houston was influenced by the spirit of NASA and used the space programme as a flag to establish its own identity." Approximately 3,500 engineers, technicians, scientists, secretaries, mathematicians, managers, clerks, photographers, writers, instructors, administrators and astronauts are employed at the Johnson Space Centre and another 7,500 people work in the region for support contractors.

The combined staff brings in between \$250m and \$300m a year in wages and an extra \$50m to \$100m in additional revenue. Much of the money is spent in the immediate vicinity of NASA's establish-

ment and new motels, shopping plazas, homes and schools are evident. During the next 10 years the bulk of the management of the Space Shuttle programme will be shifted to the Kennedy Space Centre at Cape Canaveral in Florida, but NASA will still retain a major presence in Houston. "Currently we plan to have a fleet of four Shuttles operational by the end of the decade with a further four built for NASA by the turn of the century," said Dr Kraft.

"Columbia will be joined by Challenger, Discovery and Atlantis by 1990 and the United States Air Force will have its own shuttle in operation also. Air Force personnel will join us here at the Johnson Space Centre for Columbia's fourth mission to monitor our operation and manage the Department of Defence payload the shuttle will be carrying."

Dr Kraft admitted that some NASA employees were concerned at the increased security measures the newcomers were insisting upon at the Space Centre. "We have been used to operating totally openly here but the Air Force people want to start installing locks and tightening things up generally. NASA is a civilian agency and by charter is dedicated to the peaceful development of

space for the benefit of all mankind. There will be some restrictions in the future but not enough to change the nature of NASA".

Dr Kraft is a strong supporter of NASA and its charter. He has fought numerous attempts to wrest control of the organization from its civilian directorship and place it on a more political and/or military footing.

"NASA has been asked to do a lot of things that are really beyond its charter", he said. "We have been asked to solve the energy problem, to devote time to the environmental problem and look at the other massive problems confronting the human race. But we have a charter and that charter is space, any divergence from that goal would dilute the agency and take away its altruism and ideals."

In the future the Johnson Space Centre will be the home of the technical arm of NASA, a role which Dr Kraft believes will continue to challenge its employees. Dr Kraft predicts that in 20 years the Johnson Space Centre will have increased the number of its staff by about one third with NASA activities spread equally at Cape Canaveral and Vandenberg Air Force Base in California. "Our efforts will be assisted by strong participation from private industry. The character of NASA may change superficially but I believe that its essential nature will remain the same and will continue to contribute toward the development of Houston and the United States", he said.

Piers Akerman

How one city excited the world

ly as an oil city. The catchphrase heard at promotional conferences, in bars, and in company boardrooms is that the business of Dallas is business.

Put simply, Dallas is more than Houston; its industry is lighter, more diverse, and it is easier to think of itself as a financial, banking and insurance centre.

Houston was in fact founded before Dallas, but Dallas gives the impression of being the older community, more established, more culturally aware. Houstonians would say "less exciting". Maria Callas opened the Opera in Dallas in 1957 and the Dallas

Theatre was designed by Frank Lloyd Wright. The raucousness of Houston is missing; so, Dallas would claim, are Houston's problems.

Dallas has been growing quickly, and in fact, with more than three million people, the Dallas-Fort Worth area combined is larger than the comparable Houston metropolitan area, but its rate of growth has not been quite so fast. "Dallas has got better understanding of its position and has better control", said Mr Terry Fritz, full-time President of the Dallas Chamber of Commerce. Nevertheless last year Dallas put in more new office space than Houston or even Los Angeles.

The Chamber hopes that within the next 10 years more American companies will have their corporate headquarters in Dallas than in any other American city. At the moment it lies third behind Houston and Chicago.

Last year the Chamber had an inquiry every three hours from a United States based

company to relocate or expand in Dallas. Now it is one every, two and a half hours. Foreign banks which have rushed to open offices in Houston as the energy and port business expanded are opening offices in Dallas too.

But Dallas is facing problems. It has a high rate of neighbourhood robberies. Unemployment in South Dallas, where there is a large black population, is running at 13 per cent, compared with less than 5 per cent in the city as a whole.

It is also likely that while the recession may touch Dallas later and more quietly than it has elsewhere, its effects will be felt this year.

But the city is proud of its planning record. Plans laid for a reservoir in 1940 are just being put into effect — construction work will begin next year and work is already under way to add another international airport to relieve the expected heavy traffic at Dallas-Fort Worth by the year 2000.

N.H.

is rising. Last year Hughes Tool found that demand for rig equipment was outstripping its capacity to produce.

Texas, with Houston as its oil capital, has built up expertise that is saleable worldwide. Mr Ed Hess, senior vice-president of Exxon USA, said in testimony to the Texas Railroad Commission: "Summarizing the long term outlook, we believe the world's energy future is basically unchanged. Alternative sources of energy will be expensive and lead times will be long; thus we will continue to rely on conventional energy sources throughout the century."

Wells in this area that looked highly profitable at \$38 a barrel and more look very marginal with the price falling below \$30.

The stock market has

taken an increasingly jaundiced view of the oil service companies, which reported sharply increased profits last year. For some, however, the decline in demand for rigs has come as a welcome relief. Such was the interest last year that many old, inefficient rigs with inexperienced crews were brought into service and costs soared.

Now costs are being

trimmed, and rig productivity

N.H.

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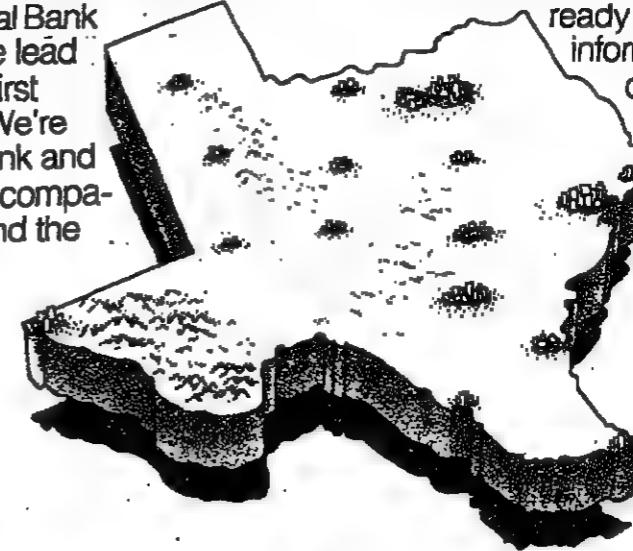
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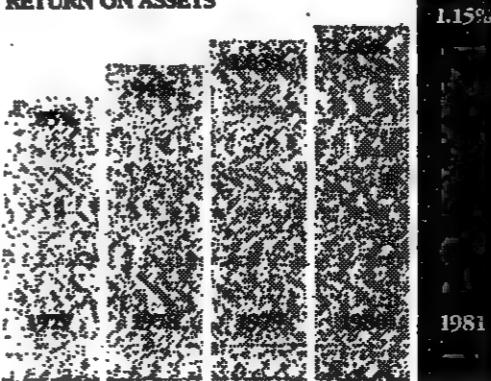
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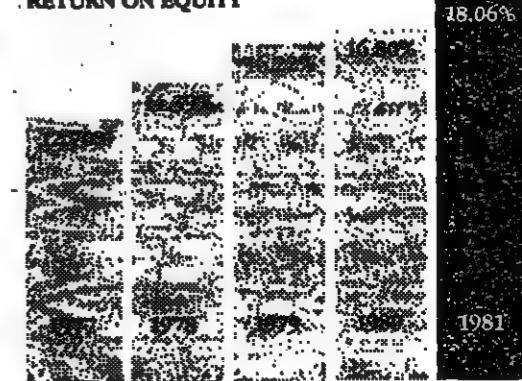
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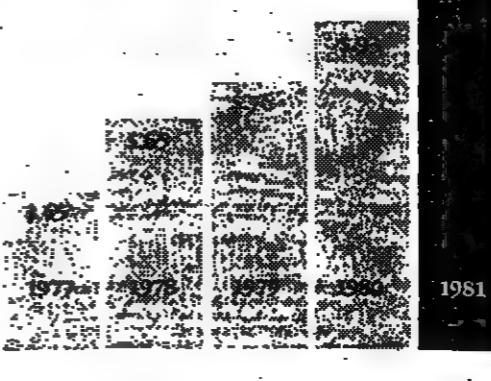
RETURN ON ASSETS



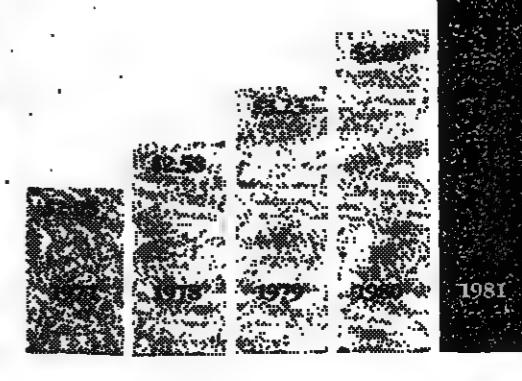
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Dallas, where business is business

Hertz Rent-a-Car at the Dallas city airport of Love Field displays a reservation card for a Mr J. R. Ewing. It is a nice touch, but Dallas the city looks much less glossy, in real life than it does in the opening title sequences of the television show.

Cranes spoil the skyline. The television picture when compared with the real thing makes Dallas frozen in unreal time. The real city has constant road construction and the building of a fast-growing community. There are oil men here and, as in the television programme, many of them own ranches. But unlike Houston, Dallas does not come across primar-

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is rising. Last year Hughes Tool found that demand for rig equipment was outstripping its capacity to produce. Texas, with Houston as its oil capital, has built up expertise that is saleable worldwide. Mr Ed Hess, senior vice-president of Exxon USA, said in testimony to the Texas Railroad Commission: "Summarizing the long term outlook, we believe the world's energy future is basically unchanged. Alternative sources of energy will be expensive and lead times will be long; thus we will continue to rely on conventional energy sources throughout the century."

Wells in this area that

looked highly profitable at \$38 a barrel and more look very marginal with the price falling below \$30.

The stock market has

N.H.



Aleksei Nikitin and Vladimir Klebanov (insets) appealed in vain to the National Union of Mineworkers for support; Joe Gormley (left) accepted the Soviet explanation, will Arthur Scargill try to help the victims?

Will Arthur Scargill face the truth that Joe Gormley dodged?

When I gave up writing my course had to emigrate; Mr Nikitin was examined by Dr Anatoly Koryakin who, for the same fidelity to his profession and the truth, is now serving a 12-year sentence, the first seven years of it in a concentration camp.

Mr Klebanov, indirectly, and Mr Nikitin directly, appealed to their miner colleagues in this country for help — for help that is, in their struggle for the establishment of minimal union rights in a country where no such rights exist. This is how Mr Nikitin put it:

Recalling the fine traditions of the trade unions — traditions formed in the bitter struggle for workers' rights — we ask the union bodies of Great Britain to give help and support to our newly created group in the USSR as regards the organization of free trade unions.

First, they had drawn attention to the scandalous neglect of safety standards in Soviet mines (a neglect which would be a serious criminal offence in this country where any miner would be rightly condemned, and would receive the full support of the National Union of Mineworkers for disclosing details of it) and to the widespread corruption in the mining industry.

Second, and in the eyes of the Soviet authorities far worse, they had attempted to form rudimentary trade unions, in a country where no such organizations are permitted.

It should be noted that neither of these two men campaigned for any political change in the Soviet Union; they did not seek or desire the overthrow of the Soviet system, nor did they express any wish to introduce any democratic or representative element into the communist dictatorship of their country. They confined themselves entirely to industrial matters concerned with their own trade, and sought only what trade unionists everywhere seek — an improvement in workers' conditions.

Readers will not need to remember my original column to deduce what happened to these two brave men: they were both sentenced to indefinite terms of lunacy, and incarcerated in that peculiarly vile institution, unique to the Soviet Union, the madhouse-for-the-sane.

Both men were examined by genuine Soviet psychiatrists (to be thus distinguished from the KGB's hired quacks who pronounce sane men mad at the bidding of the Soviet rulers); these declared them mentally fit. (It is worth recording the names and fates of the two doctors in question. Mr Klebanov was examined by Dr Alexander Voloshanov who, for calling a sane man insane, was subjected to Soviet persecution and in due

They were both incarcerated in that peculiarly vile institution, unique to the Soviet Union, the madhouse for the sane

Bernard Levin
returns
to some
unfinished
business:
the case
of the two
persecuted
Soviet
miners



prison, and though they had been fully informed about Dr Voloshanov's report of his examination of Mr Klebanov and therefore knew that Mr Klebanov (and later Mr Nikitin) was in no need of any hospital psychiatric treatment and had been sentenced to it solely for standing up for workers' rights, they announced that they were bound to believe Mr Efremenko.

In a shameful "reply" to my column on the subject, the then head of the NUM, Mr Joe Gormley, took care to evade the central issue of Mr Efremenko's mendacity and to make no mention whatever of the independent psychiatrist's conclusion that Mr Klebanov was in no need of incarceration in even a genuine psychiatric hospital, let alone one of the torture-chambers in which sane Soviet dissidents are kept.

He also took care to evade mentioning in any way the passage in the NUM's statement in which they had declared themselves obliged to believe Mr Efremenko because the latter was Mr Gormley's opposite number, head of the Soviet miners' union as Mr Gormley was head of the British. (I am not making this up; even after the dramatic events in Poland and the lesson they should have taught even to the unteachable, the leaders of the NUM really did publicly pretend, in a statement announcing their abandonment of a Soviet miner to his fate for trying to form a miners' union in the USSR, that what the department of Soviet management grotesquely called a miners'

longer leader of the NUM. Since his successor, Mr Scargill, is well-known to be considerably further to the left than Mr Gormley it might be thought that he will be even less inclined to help his suffering comrades in the Soviet Union. But this may be a misreading of Mr Scargill, his character and his situation.

Whatever view may be taken of him, no one could deny that his left-wing credentials are impeccable; one of Mr Gormley's problems, which he had in common with many other union leaders who share his moderate political views, was that he was always conscious of the danger of being outflanked on the left, and this is something that Mr Scargill will not have to worry about.

Moreover, and again irrespective of the view taken of him, few will believe that Mr

Scargill, who has declared that the oppressed should be supported in all countries, including communist ones, would ever be reluctant to speak his mind and act upon the speaking. And there is a straw to suggest that the wind in the NUM is blowing in the right direction at last.

In the March issue of its official journal, *The Miner*, there is a remarkable article by Mr Ted Mackay, Area Secretary of the North Wales division. In it Mr Mackay relates the history of Mr Klebanov and Mr Nikitin, going into considerable detail and bringing the story right up to date, including horrifying facts about the torture by drugs undergone by both these miners.

Mr Mackay points out that at the NUM's most recent annual conference a resolution was passed, concerning human rights, "which committed the NUM not just to pious words but to active participation".

Well, the "active participation" of the NUM in the case of their two persecuted Soviet comrades has so far been on the side of the persecutors. Perhaps Mr Scargill, who presumably must have read Mr Mackay's article, will now take steps to ensure that the NUM changes sides and throws its weight behind the victims. At any rate he would find it difficult to contest the argument with which Mr Mackay ends his article, and with which I may perhaps be allowed to end mine.

... The question remains — is the Soviet miner a genuinely respected member of the community, when the price he must pay for justising on decent standards of safety for his fellow workers is forcible detention in a prison mental hospital, and treatment with neuroleptic drugs?

Alexei Nikitin and Vladimir Klebanov were incarcerated for no more than what we in the NUM do almost every day of our working lives. But they do have a hope and a trust — a hope that the NUM will continue its intercession on their behalf, and trust that the compassion of their fellow miners will not allow their heartfelt cries for justice and solidarity to be ignored.

I conclude with what I said at the Annual Conference: if the same criteria applied in Britain for "slandering the system", then every NUM official would be in a psychiatric hospital.

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The more the military risks have become clear, the more reluctant many Labour MPs have become to support the Government in exerting further military pressure. The mood of Mr Foot himself has fluctuated between the implication last week that there should be further military action before new diplomatic initiatives, and the broader

Ronald Butt

The difference the Sheffield has made

There are for the moment no other politics in Britain than those of the Falklands conflict. The future of the Government and three political parties hangs on it, and even the outcome of today's local elections may turn on it.

Externally, the turmoil has serious implications for our relationship both with the United States and our European allies. Both have acknowledged the justice of our cause. Yet the sinking of the Argentine cruiser Belgrano had the immediate effect of weakening the support in Europe for our military action because of the large number of lives that were at first feared lost.

We were thus brought firmly up against the paradox that the more successful we were in naval and military terms, the less popular our cause was likely to become internationally, given that military strength from now on cannot be bloodless. It is doubtful whether our own loss of the Sheffield, which followed swiftly, will swing international feeling back towards us again, whatever its impact on political and public feeling at home.

To the Government, the loss of the Sheffield has only proved what Ministers have realized from the start — that the naval expedition to the Falklands, in the age of the modern missile, could not be without significant risk. For the rest of the world, however, the sinking of the Labour Party will not be contained in its posture of conditional support for the Falklands expedition which its leaders have devised.

Mr Healey is already showing signs of shifting with his reiterated emphasis on "proportionate" force and on negotiations. Mr Foot has through been acting against his own instincts in supporting the threat of military action. For a few hours, notably for Mr Peter Shore, there might be a real problem if Labour is openly transformed by the stress of events into the peace party. The Falklands may deal another blow to Labour unity.

Politics are thus moving towards polarization over the Falklands in parliament and also probably in the country. Some of the consequences may be measurable in today's local elections. All the signs suggest that public opinion has steadily rallied to the Government for its handling of the crisis and against Labour for its treachery.

In some places, it is true, the SDP may benefit from its support for the Government and attract the votes of people who dislike Labour's present posture but do not want to vote Tory. On the other hand, in its build-up before the Falklands crisis, the SDP had increasingly seemed to threaten the Tories more than Labour and the present crisis is likely to change this. Formerly disgruntled Tories are moving back to Mrs Thatcher, though it is not impossible that at the last minute other vote movements against the government could result from the loss of the Sheffield.

The crisis is further proof that the SDP ought to aim principally at the old, patriotic, right-wing Labour constituency in the country rather than at temporary Tory recruits. More generally, the signs are that the political centre is being squeezed and that public opinion is rallying to the poles of Conservative and Labour opinion. But that means nothing for any party. The political future is as fluid and uncertain as the military and diplomatic events on which it now hangs.

The luck of Shiny Sheff



That the luck of HMS *Sheffield* was so swiftly and disastrously explosed in the south Atlantic is the last which, provisionally attended her predecessor, the cruiser "Shiny Sheff" or "Old Shiner". In the Second World War she won 12 battle honours, and her crew sword she bore a charmed life.

In one of many incidents, while she was with Force H hunting the Bismarck off Greenland in 1941, a Swordfish pilot came out of low cloud to see her rakish grey lines ploughing through the sea dead ahead. Mistakenly, the young observer loosed his torpedoes, but the Sheff's officer of the watch was wide awake, and ordered emergency evasive action. That still worked in those days.

The torpedoes passed safely astern, and the cruiser steamed on through a career that included the explosion of a floating mine which blew a hole 40 feet by 20 feet in the port quarter, yet did not stop the ship reaching the repair base 1,000 miles away, surviving monstrous storms in the Arctic; and a head-on collision with another ship off North Africa which caused providential few casualties.

Powerful words

When the Sheff that was sunk entered service in 1975 Navy News announced that though she

was only half the size of her predecessor her scientific armament made her "potentially more effective than a Second World War battleship".

Her electronic equipment could control any engagement, the official publication stated, and her Sea Dart missile defense system had greater capability than any in the world. "Performance, power and punch put HMS Sheffield among the leaders of the world's fighting ships", the article said. It is a most unhappy epitaph.

Though the NUM leaders must have known what Efremenko's job was, and may have known that Mr Klebanov had not voluntarily entered his psychiatric

hospital, they were bound to believe him.

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By Sam Salt in his Harris Tweed hat!

The limerick was signed by three of the ship's senior officers.

They added that Captain Salt's hat size was 6½ "and if by good fortune this should be judged a winning entry, it would be appreciated if the hat could be dispatched as soon as possible so that the intentions expressed in the limerick may be carried out."

The entry was judged a winner. The hat was sent on Tuesday, only hours before Sheff was struck.

THE TIMES DIARY

A. Lister and Co. at Dursley in Gloucestershire. Their advantages over contemporary "safety" machines were lightness and comfort, enhanced by a saddle which took the form of a string and canvas hammock slung between the front and back forks.

Few of the bikes sold in Denmark, where Pedersen died in 1929, but the Danish output of reproductions is already up to 300 a year.

Lucky call
Today I offer a little more colour from my trip to Togo. A visit to the Ghanaian border revealed that the local population pour into Togo to escape their own troubled economy, shopping for everything from soap to cigarettes in a sprawling street market established for their benefit. The market's money changers will also exchange almost any currency, usually at favourable rates.

A mosque can be a primitive affair, made of breeze blocks and corrugated iron, but a colleague who tried to pray in it found there was nothing Jerry-built about the mullah's convictions — a flaring censer who declared that the show was sacrilegious in a secular setting.

In the fetish market hundreds of dead birds, lizards and snakes lie warmly festering in the sun, alongside tortoise shells, sheep's skulls and piles of less-identifiable bones. PHS was

Parting shot

The Victoria and Albert Museum is wondering which Hindu god it has offended. Shortly after the Indian Heritage exhibition of Mughal art opened, it was visited by an Indian religious fanatic carrying a flaring censer who declared that the show was sacrilegious in a secular setting.

When he was ejected he told the attendant: "I put a curse on your chief! I curse the exhibition."

Within days the V & A's chief warden had sprained his ankle,

and on Tuesday a visitor to the exhibition fell through the floor. Though she was not hurt, the show had to be temporarily closed.

Star-struck

Gaston Thorn, president of the European Commission, has the stars on his side in fending off tongue-in-cheek attacks from members of the European Parliament over the horoscope he commissioned last November from the French astrologist, Elizabeth Teissier du Cros.

He adapted Shakespeare to answer Janey Buchanan, Labour MEP for Glasgow. "The fault, honourable member, is not in the stars but in ourselves that we are underlings," he has told her.

And assuring the Conservative MEP for Bristol, Richard Cottrell, that there could be no heavenly answer to Europe's problems, Thorn quoted a proverb: "The man who gazes at the stars is at the mercy of the puddles in the road."

Big scorers

While Kent's 616 for six declared against Oxford University sent cricket statisticians scurrying to discover that a county team had never scored over 600 runs since 1949, the tally shrinks when compared with other first-class matches.

Victoria, which scored 1059 against Tasmania in Melbourne in 1922-23, punished New South Wales for 1107 at the same ground four seasons later. Hutton's 364 against Australia at

the Oval helped to a total of 903 for seven declared, the highest ever made in this country.

Hutton's county, Yorkshire, held the record outside Test matches — 887 against Warwickshire at Birmingham in 1896.

First collection

My former editor, William Rees-Mogg, now publishes his first handsome catalogue of stock of his antiquarian bookshop, Pickering & Chatto, which moved to Pall Mall in March.

As anybody who knows his predilections would guess, it is particularly strong in eighteenth-century Eng. lit. Rare treasures such as the first edition of *Tristram Shandy* and the 1557

dition of Sir Thomas More's *Works* have been rebound in the Pickering house style of olive or dark green straight grained morocco, with, on the spine, William Pickering's own version of the Aldine Anchor and Dolphin device.

In his foreword, Rees-Mogg reassures his customers: "I am an active proprietor and my wife is an active director." How different, how very different from the hurry-burly of life in our own dear Street of Shame.

Rail in vain

I have bad news for readers who have complained to me that Apsley House's fine wrought-iron gates and railings at Hyde Park Corner have been painted lurid green. They are going to stay that way, because that is how the first Duke of Wellington originally liked them.

The colour, which I much prefer to the former prosaic black, does sit a little uncomfortably with the harsher modern green used on neighbouring street furniture. It is, however, authenticated by the Victoria and Albert Museum, which is supervising restorations for the Department of the Environment.

In the 18th and early 19th centuries London was a more colourful place partly because it was the fashion to paint railings brightly. If they next decide to paint the railings along Constitution Hill bright blue, I shall not complain; though you might.

PHS



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

WILLING THE MEANS

Strategy, as Mr Pym told the Commons yesterday, must be seen as a whole. It is not a diplomatic solution to the Falklands crisis that we want; nor an economic solution, nor a military solution. It is a solution, and we are having to use all three means to achieve it. What weight any one of those means is given at any time depends on the circumstances, and the circumstances depend on many factors outside our control. Nothing that has yet occurred in this crisis can justify the accusation against the Government that it is seeking a military, and only a military solution. Argentina, on the other hand, has by its behaviour shown that it has no great interest in diplomacy, so that diplomatic means have so far not achieved very much except under the additional stimulus of military pressure. Moreover, the economic means, though long on declaration and intention, are woefully short on immediate effect — and even shorter now that some fair-weather friends in the EEC are considering lifting their sanctions almost before they had imposed them.

The solution we seek is the withdrawal of Argentine forces from the Island. That has become paramount in the short term, since no other medium or longer term permutation about sovereignty, administration, or interim arrangements, or self-determination has any meaning without it. There has been no sign that such a withdrawal is likely through diplomacy. The sad and painful conclusion must be that such a withdrawal, or a better inclination to negotiate such a withdrawal, can only be made more likely by military pressure.

The purpose of British military strategy has therefore been to secure this withdrawal, with tactics at all times conditioned by the doctrine of minimum force. That involved imposing a quarantine round the Islands, not only to prevent the invading forces from being further strengthened after the supply and resupply of the last four weeks, but also to emphasise that the invasion and occupation is an unnatural and illegal state of affairs, which must therefore be temporary, and soon terminated.

The quarantine at sea and in the air — the total exclusion zone — has to be maintained. All British action so far has clearly been taken to achieve that objective, and to protect our forces against attacks intended to prevent them from achieving it. This has meant defending ourselves against attack, and, as Mr Nott observed yesterday, it would be inconceivable that the Government's rules of engagement for commanders inhibited them from such defensive action, as, for instance, was required in the engagement with the General Belgrano.

DOCK THREAT ONLY DEFERRED

Through all the recent months of rising unemployment and closing factories, one group of workers has survived in perfect security. Registered dock workers are virtually immune from lay-off or dismissal, and if the company that employs them shuts down other employers in the same port are obliged to find jobs for them, whether or not there is any work for them to do. To relieve the gross overmanning that inevitably results, terms for voluntary severance are so attractive that more than 4,500 out of a labour force of 20,000 accepted them last year, in spite of all the uncertainties of life in the world outside the dock gate.

It is this comfortable state of affairs that the dockers would like to compel the Government to extend to the smaller ports which were left out of the statutory National Dock Labour Scheme in 1976. A soft answer from the Government has led the negotiators to put off a clash which would inevitably be profoundly damaging to the economy. But the threat is only deferred: the Government will hardly be able to look favourably on a proposal which even the Labour government flinched from as too radical. Short of a naval blockade, no surer mean can be imagined of hurrying the ports outside the scheme into the same kind of malaise that afflicts most of the ports that are members. The scheme, and the restrictive practices that go with it, are not exclusively to blame for the dismal performance of the

ports involved. London and Liverpool, Bristol and the Clyde, would in any case have suffered sharply for geographical and technological reasons in the past few years. But the extra burden of overmanning and the reluctance of the labour force to allow the ports to adapt to new methods of cargo handling developed by our competitors across the Channel has hastened the decline.

Felixstowe, the most successful of the non-scheme ports, has risen from small beginnings to seventh place nationally in terms of tonnage. This is partly because of its favourable position for the growing trade with the EEC but the greater flexibility of its handling methods has been a more important factor. With some goods it can undercut the Port of London by 20 per cent. In the many much smaller ports the inflexibility and bureaucracy of the scheme's rules would be even more damaging to competitiveness. Although earnings at Felixstowe are slightly lower than the average, expansion has made it possible to raise productivity without causing redundancies, and even the high rewards of scheme membership have not induced its workers to show much eagerness to join.

For all their protection, registered dockers cannot look on the withering of their home ports entirely without misgivings. Major gains in productivity have been belatedly agreed both on Merseyside and in Hull in recent

undertook other security commitments at home or abroad. The defence of vital interests, be they principles, citizens, or sovereignty, cannot be so precisely and accurately assessed if it is to have any real validity as a basis of national policy.

The question now is: how does the Government proceed from here? The first necessity is to continue our attempts to secure a total exclusion zone against the attacks of Argentine aircraft and ships. This may mean a contraction in the perimeter of the zone, to provide fewer chances for Argentine attack by mainland-based aircraft. But the zone must clearly be kept intact and made more secure in time for the arrival of the land forces within the next two weeks. At that stage, if there has been no break through in negotiations, the Government will have to establish and augment a land presence in the Islands. Of that there can be no doubt.

But there may have been negotiations by then. Mr Pym yesterday spoke favourably about the prospect of a trusteeship status for the Falklands Islands under United Nations auspices. The House, or most of it, felt reassured at this prospect at the end of the negotiating process; but it is that process itself which still baffles statesmen.

Whatever longer term arrangement can be made for the Islanders' security there are certain factors which constitute an irreducible minimum to the British position. The first is that nothing can be done without a preliminary Argentine withdrawal, and no negotiations entered into which do not provide for that withdrawal. The second is that the question of British sovereignty against the Argentine claims cannot be conceded or negotiated; it can only be frozen pending judicial decision. The third is that the Islanders' views and wishes must be fully respected in the final settlement. After this invasion, it is inconceivable that they would opt for, or could be pressured into, accepting either Argentine sovereignty or any type of Argentine control.

So we are back in a difficult phase of our strategy to achieve a solution which is consistent with those principles, as with the overriding principle that illegal acts of international violence must not be condoned or compromised with. The basis of strategy is the struggle for freedom of action. The invasion pinned us down, and pressurised us into accepting it. Our response has restored our freedom to challenge the invasion and has prevented it being accepted by the Islanders, by the British nation as a whole, even by the world community. That freedom of action for our own people, for all people — that freedom must remain our objective.

If the task force had been sent out to the Falklands with limited casualty label stuck on its sterns, what would that figure have been, one? two? twenty? thirty? three hundred? These figures are not calculable, any more than they were when Britain

months. Dockers can claim that the scheme, introduced to end the harsh exploitation of casual labour before the war, has made it possible for the labour force to shrink from 80,000 in 1947, when the scheme began, to 18,000 today. Since the pact which followed the national dock strike ten years ago, the contraction has accelerated at relatively small cost in stoppages. The advance of containerization is expected by some observers to make a further drop to the 10,000 necessary by 1984.

Dockers have been pressing intermittently since 1976 for the extension of the scheme to other ports and to container depots within five miles of a registered port — the TGWU threatened industrial action over the latter only last May. The dockers claim that Felixstowe enjoys an unfair advantage by avoiding the levy paid by member ports to finance the scheme, and that its success harmfully heightens the tendency of business to slip away from ports in the north and west. If, there is any substance in the first argument, it can be met without imposing the full burden of the scheme on Felixstowe. The second simply identifies the effects of the inefficiency that the scheme has inflicted on members. It is worth paying a certain price for peace in the industry, and the price of the dock labour scheme is already very heavy. Hobbling successful ports to allow the unsuccessful ones to catch up would be far too high an additional price.

As to the matter of rape, that was never proceeded with. Had it been it might have been extremely difficult for the Crown to persuade the jury to convict. These are detailed matters with which one would have expected a lawyer interested in the question of capital punishment to be familiar. (Two important books

Defence priorities 'lie with Nato'

From Admiral of the Fleet Lord Hill-Norton

Sir, It appears from his laboured attempt to defend Mr Nott's disastrous defence policy that David Watt (feature, April 30) shares the Defence Secretary's almost total inability to understand what Mr Watt miscalls "European priorities". There are, of course, no such priorities for Britain, or any other European power, which belongs to the Nato Alliance.

Nato's priorities have led her Majesty's Government of both political parties, with the unanimous approval of all our Nato partners, to order our military contribution that Britain has, for 25 years, provided 70 per cent of the Nato maritime forces on the Eastern Atlantic, Norwegian and North Seas. This has absorbed 10 per cent of our defence budgets.

No other ally, including the United States, can replace these highly efficient and specialized forces which Mr Nott announced last June would be cut by a third. He has since compounded this folly by announcing that naval manpower would be cut by 15 per cent and the vital dockyard support for the whole fleet by about 25 per cent.

It is a palpable illusion to suppose that any money saved by this major and irreplaceable reduction in Nato's maritime defences (upon which any successful land-air operations in Europe wholly depend) can be usefully employed, as Mr Watt puts it, "to protect (further) north-west Europe, and most of all these islands". For no less than 40 per cent of our defence budget we are now providing just 10 per cent of the allied forces deployed in Germany.

Any increment which could be paid for by even half the navy vote would increase these forces by perhaps one armoured division and one squadron of Tornado aircraft.

Does anybody, except Mr Nott (and Mr Watt), suppose that this would really make any difference at all to the Soviet perception of our conventional deterrent or the nuclear threshold?

None of these hard facts has anything to do with a preoccupation with historic delusions of maritime grandeur, or with an attempt "to restore large global capabilities". It is, nevertheless, certain that had the humiliating seizure of the Falklands occurred after the Defence Secretary's ill-conceived intentions had taken effect, no military option would have been available to the Government.

It is equally certain that no other country, including the super-powers, could have salled this "rapid deployment force" so quickly or so smoothly. Indeed, the brilliant professional efficiency with which the navy and the dockyards mounted this operation contrasts starkly with

the amateur blunders by successive governments which made it necessary.

It is devoutly to be hoped that wiser counsels will now prevail, and that a wiser man will soon be charged with reordering our defence priorities to accord realistically with our Nato obligations.

This would, as an important bonus, enable us to continue to play the part for which history and aptitude make us particularly suitable, in deterring all aggression whether within or outside the Nato area.

I am, and remain, Sir,
HILL-NORTON,
King's Mill House,
South Nutfield, Surrey.
May 1.

From the Duke of Buccleuch and Queensberry

Sir, May I repeat a proposal I made in the House of Commons over 10 years ago? Regrettably, it fell on mainly deaf ears then, but the Falklands crisis makes it more obviously pertinent and urgent now.

It was for the creation of a South Atlantic Treaty Organization (SATO) to cover the extension of Nato to cover the entire Atlantic, together with suitable bases. The Falkland Islands, South Georgia and the South Shetlands are good examples.

Quite apart from the long-term significance of mineral and other resources in Antarctica, most of the free world depends upon the movement of shipping, including oil super-tankers, around the capes. Argentinian aggression demonstrates the extreme vulnerability of these trade routes and that Nato defences could be as easily by-passed today as the Maginot line in 1940. We must not let a relatively minor independent dictatorship distract us from the far greater menace of those striving for global dictatorship of the Communist variety.

Because many Central and South American states could be unreliable allies, through their propensity to unstable undemocratic regimes or their flirtation with Cuba, and because most European countries are even more dependent upon oil imports than we are, there is a good reason for their direct participation in a new SATO or ATO.

For too long we have dithered over the Falkland Islands and dependencies. Now, I suggest, is the time to plan their future, following the withdrawal of Argentine forces, in the context of global strategy, and take positive action jointly with our true friends in Europe, Canada and the United States.

Yours faithfully,
BUCCLEUCH,
Drumlanrig Castle,
Thornhill,
Dumfriesshire.
May 2.

From Lord Avebury and others

Sir, The speed with which the governments of Europe have acted in concert to apply economic, political, and military sanctions against the Argentinian Government since its illegal occupation of the Falkland Islands is remarkable. It merits comparison with their response to a recent and very similar military occupation of another European colony.

Like Argentina, the invading Government of Indonesia invaded the Portuguese colony of East Timor, in December, 1975. Since then, as you noted in your editorial, "How to Ease Timor", on February 24, "it is estimated that more than 100,000 people have died either directly as a result of military operations or from consequent famine and disease, out of a population of only about 670,000". They were all, by law, Portuguese colonial subjects.

Yours faithfully,
AVEBURY,
FENNER BROCKWAY,
B.C. BUTLER,
BOB EDWARDS,
RUSSELL KERR,
ALF LOMAS,
JOAN MAYNARD,
DONALD NEEDHAM,
JOSEPH NEEDHAM,
STAN NEWENS,
8a Taproot Street, SW1.

edily condemned by the United Nations.

The invasions are analogous but the European response exhibits a clear example of double standards. In the case of the Falkland Islands, it is firmly stated that a country must be supported against an illegal invasion and that a people's right to self-determination must be upheld. In the case of East Timor, these rights are apparently expendable, as is the country's population.

As world opinion is being mobilized to support the Falkland Islanders, we reaffirm the conclusion you drew about East Timor that a "solution based on negotiations and the free choice of the inhabitants is urgently needed and the international community, particularly those countries which have close economic and military ties with Indonesia, should make much more serious efforts to achieve one".

Having delivered a series of military blows to Argentina, it is possible for us to withdraw our forces from the immediate area at any time, to indicate that the search for a settlement means more to us than a military victory.

Now that the juntas can be seen to have committed themselves, and the nation they presently govern, upon a course of opposing British arms, despite the latter's superiority, there is presented the likelihood of growing bloodshed.

Yours faithfully,
PHILIP NIND,
Travellers' Club,
Pall Mall, SW1.
May 4.

From Mr Anthony Ramsay

Sir, As the storm gathers in the South Atlantic and within the two countries contending for the islands there, we can bear in mind that, alongside all the factors that have gone to make the situation what it currently is, there always remains at the same time the option of peace.

Having delivered a series of military blows to Argentina, it is possible for us to withdraw our forces from the immediate area at any time, to indicate that the search for a settlement means more to us than a military victory.

By contrast with the Second World War, the "spying of strangers" must now take into account all the electronic equipment installed for the broadcasting of parliament. May we be assured that an infallible cut-off point has already been installed?

Yours faithfully,
PHILIP NIND,
Travellers' Club,
Pall Mall, SW1.
May 4.

Parliamentary spies

From Mr Philip F. Nind

Sir, With activities in the South Atlantic moving towards outright war, we must assume the possibility of secret sessions in the House of Commons.

As it is, we in the Church of England lead a double life: the established church role with all the trappings where membership is by accident of birth; and the worshipping church, the faithful gathered together week by week, committed in worship and Christian living.

Yours faithfully,
KENNETH BOWLER,
St. Mary's Vicarage,
9 Hatton Road,
Bedfont,
Petham,
April 17.

Worship and doctrine

From the Reverend K.N. Bowler

Sir, With reference to Mr Frank Field's letter (April 16), I would be glad if he could go on and describe "the advantages (to the Church of England) of being the established Church".

As it is, we in the Church of England lead a double life: the established church role with all the trappings where membership is by accident of birth; and the worshipping church, the faithful gathered together week by week, committed in worship and Christian living.

Yours faithfully,
KENNETH BOWLER,
St. Mary's Vicarage,
9 Hatton Road,
Bedfont,
Petham,
April 17.

This usually means a service that someone will do for nothing.

Few of us would cling to the establishment for the Church's sake. Any attempt by Parliament to start interfering with matters of worship, belief and doctrine will lead to disestablishment.

As it is, we in the Church of England lead a double life: the established church role with all the trappings where membership is by accident of birth; and the worshipping church, the faithful gathered together week by week, committed in worship and Christian living.

Yours faithfully,
KENNETH BOWLER,
St. Mary's Vicarage,
9 Hatton Road,
Bedfont,
Petham,
April 17.

name dropping

From Mr Jack Hobbs

Sir, Mr John Cope (April 28) includes my name in his list of allegedly un-Christian names. He may like to know, Sir, that I was christened Jack in church, and that this is the name on my birth certificate.

In addition, when signing my name (in Latin) on my College roll, there was no objection to the form "Jackus".

I am, Sir,
Yours faithfully,
JACK HOBBS,
1 Clevedon,
Sid Road,
Sidmouth,
Devon.
April 28.

دكتور من الأصل

13

Television Dramatic strength

Central's four-part series *I Remember Nelson* ended last night with a formidable piece of television. It dealt with the Battle of Trafalgar, and, true to the style of the rest of the series, did so from a highly specific and cunningly oblique perspective.

We saw the action solely on the lower gun deck and through the eyes of one William Blackie, gunner. Necessarily this involved a great deal of documentary clutter on the workings of the guns and the routine of battle, as well as a long succession of violent deaths and horrific maimings, the latter being dealt with by appropriately gruesome surgery and the former by tossing the corpses over the side. But the episode succeeded in moulding this seemingly random, bloody chaos and detailed historical recreation into entirely satisfying drama.

It did so by playing Blackie off against Nelson. Yet this was not a crude general-against-infantry polemic — indeed the poor cannon-fodder were shown cheering their admiral with mystical fervour, their eyes gleaming with a sense that their pathetic conditions could be transcended. In addition Kenneth Colley's excellent Nelson, though indeed a study in arrogance, betrayed only a faltering grasp of his own greatness, a quality demonstrated not by his words but by his distractingly drawn features. He appeared to know that something made the whole affair absurd but he could not be sure precisely what.

Hugh Whittemore, the writer, began by ironically playing off Nelson's last will and testament before the battle against a lower deck deal should either of the partners die. He then moved through the blood of battle, through the dawning horrors on the faces of the gunners and the powder monkeys, through the pale shattered features of the padre, finally to Nelson's distracted resignation after a sniper's bullet had shattered his spine. Only Nelson had not changed; he lay dying still obsessed with his duty, still baffled by his obsession.

Meanwhile Blackie has been wounded in the foot, and in his delirium struggles to a gun-port to see the sun. He passes Nelson at the moment of his death, attains the gun-port and sees only a pig swimming in the water before he is hit in the head. Whittemore concludes years later with Blackie in a home, his brain having been damaged by the shot. Victorian philanthropists visit and give him a sovereign in recognition of what he did for his country, but Blackie just turns to look, at last, at the sun.

Whittemore's — and indeed Central's — courage lay in avoiding the routine grind of a tele-drama-documentary. There was plenty of painstaking work by the props department but the creative hand was strong enough to subjugate their efforts to the demands of the imagination. For all the research in the world is as nothing without Whittemore and Colley's delicious touch of having Nelson recite all his symptoms with the eerie calm of a man whose mind is elsewhere.

Bryan Appleyard

The Queen of Spades

Gardner Centre,
Brighton

During the orchestral introduction to New Sussex Opera's Brighton Festival production of Tchaikovsky's *Queen of Spades* Herman, the doomed gambler-lover, slumped isolated and spotlit downstage, watched in the dark by tiered galleries of onlookers. This chilling tableau of the opera's end in its beginning epitomizes the individuality and consistency of the director Nicholas

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Theatre

Shaw out of control

Dear Liar

Mermaid

Snug in his writing hut down the garden Shaw enjoyed flirtatious correspondence with a good many ladies. From Ellen Terry to Miss Hopeful Blue Eyes of Godalming; but the only one of these exchanges that ever yielded a play was his 40-year ding-dong with Mrs Patrick Campbell.

We saw the action solely on the lower gun deck and through the eyes of one William Blackie, gunner. Necessarily this involved a great deal of documentary clutter on the workings of the guns and the routine of battle, as well as a long succession of violent deaths and horrific maimings, the latter being dealt with by appropriately gruesome surgery and the former by tossing the corpses over the side. But the episode succeeded in moulding this seemingly random, bloody chaos and detailed historical recreation into entirely satisfying drama.

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Bryan Appleyard

LPO/Tennstedt

Festival Hall

As keen record-collectors are aware, the London Philharmonic Orchestra are currently recording all Mahler's symphonies. (What about the tenth, I wonder?) under their principal conductor designate, Klaus Tennstedt. During his present spell with them, they will record the fourth symphony, starting with the mimicry of sieghells and ending with the peasant child's imagination of life in Paradise, each little scene qualitatively underlined in the music for the poem.

Tennstedt's readings of Mahler have been rapturously received, and this account of No. 4 was equally memorable. Its chief distinction seemed, not altogether superficially, to reside in the conductor's scrupulous attention to special effects, here a cymbal, there a bass drum, now the double basses' pizzicato, or a particularly

pungent combination of woodwinds. Tennstedt interpreted the score as if he were examining it under a magnifying glass.

Now and then some passage sounded like a caricature of itself, but almost always the score showed that Tennstedt was not exaggerating: that was actually what Mahler wanted. There is, as Mahlerites are aware, a good measure of spiky humour in the fourth symphony, starting with the mimicry of sieghells and ending with the peasant child's imagination of life in Paradise, each little scene qualitatively underlined in the music for the poem.

Good Mahler conductors respect this aspect of the piece. Tennstedt more acutely than most, as if surveying it all through the literal-minded fancies of children, who often embellish their stories with weird incidental detail. He had taken pains, not only with dynamics and tone-colour, but also with Mahler's phrasing, here

unusually dapper, and with the structural gearing of consecutive sections.

The first movement began with a gigantic ritenuto into the first melody, thereafter requiring no more than gentle pressure on the brakes; in many transitions, he set the new tempo without preparation, and the effect was both brilliant and poetic — the LPO's response was exceptionally keen, give or take a flute.

The slow movement was properly the symphony's great point of heavenly repose, unfolded with superb intensity, but not at all minded to drag. As admirable was the continuity of the development, as if uttered in one breath, and the sheer vivacity of the finale's invention.

Before the interval Tennstedt and the LPO strings had treated us to an eloquent, intense reading of Schoenberg's descriptive tone-poem *Verklärte Nacht*, emphasizing the wan moon-

light of the poem's scene, as well as the sumptuous lyricism and the exquisite delicacy of the "transfigured night" in which the story ends.



Pitiless realism, commanding clarity: Robert Hardy and Sian Phillips in "Dear Liar"

Robert Raiph, and will be repeated on May 21.

If not exactly all spoofed up with zip and vinegar, and certainly not with angst and relevance, it is full of the chap's words between hard covers are the real tabasco. Accept no substitutes. Still, it is right and proper for the National

Theatre to remind us it is the

centenary of his birth that between 1916 and 1924 he was the sweet singing thrush of 49th Street, writing the lyrics for Guy Bolton's books and Jerome Kern's music. He wrote 33 musical comedies, and at one time had five of them running simultaneously on the Great White Way. Writing lyrics was like eating salted almonds for Plum. He could always manage another one.

So in a platform performance on Tuesday enter

David Ryall in a wig like a hard-boiled egg and an amiable expression, with amiable desk, a decanter of the brown stuff and other writer's tools. In the master's words he recalled those early days of musical comedy, of hair's breadth 'scapes with the imminent deadly producer, triumphs and floppos. He had business with his pipe and a trick of scratching his ear with his little finger that were worth many millibars of atmosphere.

At intervals Mark Bond, Robert Raiph, Sally Cooper and Imelda Staunton came

hoofing on to belt out lyrics that rhyme "prune" with "June", or "neuralgia" with "nostalgia". The National Theatre has had practice lately with its period New York accents and movements. The celebration was devised and directed by

Barrie Keeffe, he is seen, but does not particularly expose it. It may be the foreign language that does not allow him to relax into amusement when it appears in the text; yet when he says that women are not original, and adds that not even the dead body is original, he is flummoxed and there is something powerfully and evocatively Russian.

He speaks alone for two hours. With the covered

corpse of his wife on the stage, he portrays a Russian pawnbroker who is trying himself before a jury that is the audience. It is a jury of his own creation, for there has been no crime, unless suicide is a crime that involves others. In Dostoyevsky's reasoning, it is just that, but the jury is the man himself and Mr Croisset constantly confronts the seriousness of his own accusation.

Comic considerations come through. There is absurdity that lives in the tragically crossed marriage of a cold, cowardly man of 43 to a girl of 16. Mr Croisset lets that be

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BELL'S **SCOTCH WHISKY** **BELL'S**

Stock Exchange Prices **Falklands Uncertainty**

ACCOUNT DAYS: Dealings Began, April 30. Dealings End, May 14. § Contango Day, May 17. Settlement Day, May 24.
§ Forward bargains are permitted on two previous days.

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مكتبة الأحمد

MARKET SUMMARY

Falklands uncertainty depresses shares

Uncertainty about the outcome in the South Atlantic can be translated into political uncertainty which the market dislikes above all. That is why yesterday saw a reversal of Tuesday's rally.

But leading brokers remarked that the market did not feel as depressed as the index made it appear. The manufacturing companies in the index were down quite heavily, as recent rises were judged overdone against the background of the stagnant British economy.

So Turner & Newall was down 3p at 65p, ICI fell by 6p to 320p. Vickers dropped by 3p to 163p.

The market had come of the bottom before the close of the day. The opening index showed a fall of 14.1, it rallied to a level down 8 points by noon, came back to a fall of 10 points at 3 o'clock and recovered to a drop of 8.8 on the day by 5 o'clock. There was a low volume of trading, although those lines that were around were said to have found a ready home given that the jobbers were still short of stock after the rally on Friday night and on Tuesday.

There was a large amount of Thorn EMI on offer from the market, and the price closed down 13p at 420p. Analysts had become nervous of prospects for video sales.

General Accident's first quarter figures disappointed the market, and the shares fell by 10p to

288p. Analysts marked down their forecasts for Royal and Commercial Union, whose figures are due next week, as the underwriting background in the United Kingdom and the United States is obviously worse than feared, with companies keeping down motor premiums.

Additionally, the bad weather this winter has increased the cash payment of claims reducing the opportunity of investment profits. Royal closed unchanged at 331, but Commercial Union was down 4p at 126p, and Eagle Star fell by 10p to 352p.

Other moves on company news was a drop in Smith St Aubyn shares by 4p to 35p on the loss, P&O Dif rose by 5p to 144p on profit-taking.

Gold shares were depressed by the Falklands news, with Lloyd's down 4p at 396p, as their particular worries about its Argentine involvement. National Westminster was down 11p at 405p. But Barclays was unchanged at 448p and Midland stayed at 323p.

Sainsbury closed unchanged at 650p on 15 per cent profits rise and the scrip issue. Trident TV eased a further 4p to 78p awaiting the court decision on its casing licence renewals.

Channel Tunnel was again the most startling rise in the market, gaining 37p to 170p on hopes of a favourable decision on the tunnel later this month.

Sally White

To the casual observer, Sainsbury the food retailing group has more reasons than most for failure. (Anthony Hilton writes). Established well over 100 years, it is still firmly in the hands of its founding family, with three in the boardroom.

Worse, according to conventional wisdom, Sir John Sainsbury chairman and chief executive insists on being involved with every last detail of the company to the extent that, as one analyst put it, if a customer complains about a tin of sardines he calls the buyer in for an explanation. Finally the company is a pillar of the food business which means that in times of recession it should, if not suffer, at least struggle a little.

Rothmans rose a further 4p to 98p on hopes of a bid from Philip Morris. United Scientific was up 8p at 338p on the Egyptian optics contract. But Ductile fell 7p to 146p on profit-taking after Glynwed's bid.

Instead it rewrites the pessimists' textbooks. Pretax profits for the year to the end of last February were £89m against £65.8m — a 36 per cent increase which came on top of a 43 per cent spent in 1980.

Sales rose 22.7 per cent to £1,550m from £1,589m and after associated company interests, £5.7m for the staff profit sharing scheme — up even more than profits, — and a £15.4m tax charge (£12.7m) the net profit comes out 27 per cent ahead at £68m.

Shareholders benefit too. Earnings per share are 23.74p (17.74p) and the shares, up 5p at 655p on the heavily anticipated good news, sell on a fully-taxed price/earnings ratio of 27.

The company proposes a one for one scrip issue and a final dividend of 6.5p, making the total for the year of 9.75p (7.25p).

Sainsbury is now in a class of its own, clearly ahead of Asda, the supermarket pioneer, which is suffering from the costs of moving south, and Tesco, troubled by its move into non-foods. Hence a share rating which has more in common with a high-flying electronics company than food retailing. The rating reflects the company's virtuous circle — years of store building and modernization leading to productivity gains, which allow it to hold prices lower than its rivals but still make a better margin of 4.5 per cent.

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Sainsbury still confounds the pessimists



Sir John and customers at the Nine Elms store yesterday.

The real question is how much longer can it continue? An ebullient Sir John says the market is nowhere near to saturation, with scope for dozens of new stores in the north and improved outlets in the south. But the cost will be high, with a planned capital spend of £150m this year against £126m in 1981, probably too much to finance internally.

But yesterday he refused to disclose the price, claiming the receivers had asked him to keep it secret. However, because of the complexity of the deal, it was agreed with the receivers that no purchase price figure was meaningful.

There was also some confusion over the value of the assets he had bought through SAP, his Gloucester-based engineering company. Mr Logue estimated them at £10m, but sources close to the Kilmarnock-based company said they would be surprised if the figure was that high.

Mr Logue, an engineer and former deputy managing director of Bowyers food group, has bought the freehold of one million sq ft of mixed quality factory space on four sites in Kilmarnock and the lease on BMK's principal Riverside factory. The freehold of this site was sold by the receiver to the Scottish Development Agency.

Mr John Logue, the 52-year-old Lancastrian businessman who has bought a big part of high quality carpet group Blackwood Morton & Sons from its receivers, was the only person willing to take a chance in the beleaguered carpet industry when the company was advertised for sale (Philip Robinson writes).

Through his private group SAP, Mr Logue has bought BMK, makers of Axminster, Wilton and tufted carpets, whose former parent company went into receivership six

months ago owing £5.5m. He owns 67 per cent of BMK. The remainder is owned by an unnamed partner and held through a Swiss nominee holding company.

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After the £2.75m rights issue, Smith St. Aubyn has published capital and reserves of £8.6m compared with £9.3m in April 1981. Most of the previous year's huge gilt holdings have been liquidated and gilts in the balance sheet were down from £308m to £47m at the year-end. Bills discounted have risen from £211m to £301m, although total balance sheet footings have still contracted sharply from £605m to £363m.

LATEST RESULTS

Company Int or Fin	Sales £m	Profits £m	Earnings per share	Dv. pence	Pay. date.	Year b.
British Est (F)	—	6,133 (92)	5,154 (433)	1,851 (414)	—	3,562 (88)
Comfort House (F)	24,082 (2,142)	0,621 (10)	0,621 (10)	0,40 (4)	—	0,621 (10)
T. Cowir (I)	44,041	0,310 (19)	1,153 (65)	0,40 (4)	—	11.59
Gen Accident (F)	—	11,72 (19,3)	—	—	—	16,25
P. C. Henderson (F)	31,882 (28,28)	2,481 (46)	31,11 (17,0)	7,256 (76)	—	10,06 (8,0)
Life Provincial (F)	—	0,502 (25)	2,301 (1)	0,90 (6)	17/7	2,71 (8)
Mitre (F)	17,741 (16,64)	0,223 (0,608)	1,11 (1,3)	4,00 (4)	15/7	5,04 (5,95)
John Morrell (F)	271,024 (24)	3,982 (6)	4,924 (83)	2,756	—	4,754 (4)
1928 Inv Trust (F)	—	40,954 (4,07)	21,929 (9)	7 (5)	—	10 (6)
P. & O. (F)	3,0702 (2,240)	88,066 (1)	23,74 (17,74)	8,45 (5)	23/7	8,757 (8,26)
J. S. Marbury (F)	1,851 (1,589)	2,753 (3,44)	—	nrk (0)	—	4,510 (5)
Smith St Aubyn (F)	—	1,107 (1,96)	6,786 (26)	4,25 (4)	—	6,256 (5,45)
N. American Inv. Trust (F)	—	—	—	—	—	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish dividends multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net — Loss b—First quarter c—Net

STATISTICS

UK RESERVES

End of Period	Sm	Em	Chg in Sm	Chg in Em
1981				
March	28,212	12,583	-222	-222
April	28,008	13,084	-145	-145
May	28,487	12,793	-1,578	-1,578
June	25,631	13,223	-856	-856
July	24,584	13,294	-1,063	-1,063
Aug	24,511	13,281	-57	-57
Sept	23,696	13,088	-115	-115
Oct	23,318	12,634	+147	+147
Nov	23,463	11,971	+147	+147
Dec	23,347	12,217	-116	-116
1982				
Jan	23,225	12,331	-122	-122
Feb	23,373	12,625	+148	+148
March	18,968	10,637	-4,404	-4,404
April	18,159	10,108	-310	-310
March				

*Reserves reviewed each year end

COMMODITIES

COPPER Afternoon — Highs: grade cash was steady, cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months, 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash was steady, cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Afternoon — Highs: grade cash 7.30, three months 4,903.0, 3.50. Sales: 1,000,000, 0.90-1.00; three months 589.0-600. Sales: 50 tonnes. Morning — Highs: grade cash 7.30, three

APPOINTMENTS

Three join central TSB board

Mr Neville R Barkes, chairman TSB North East, Mr Kenneth A Millitchap, chairman TSB North West and Mr Peter J Cook, general manager TSB Wales & Border Counties have been made directors of Central Trustee Savings Bank (CTSB).

Mr Tom Mayer is the new president of the Electronic Engineering Association. Mr Mayer is chairman and managing director of Thorn EMI Electronics.

Mr Roy Haines has been appointed to the new position of deputy treasurer of National Westminster Bank's International Banking Division.

Mr Dennis Webb has been promoted to finance director and company secretary of the Charles Clark Motor Group after eight years as group chief accountant.

Mr Joe Diedrich has been named as president of PHH International, a wholly-owned subsidiary of PHH Group Incorporated.

Mr John Sheffington has become director of Cayzer, Irvine Shipping.

Mr B. Rombough has been appointed chief executive officer of PanCanadian Petroleum. Mr Robert R Campbell, formerly chairman and chief executive officer, will continue as chairman.

Mr. Dermot de Trafford, deputy chairman of Low & Bonar is to become chairman of the group on June 1.

Mr Yves Bonavero has joined the partnership of E. D. & F. M.

Mr Gordon Wileman of Nestle has been elected treasurer of the Automatic Vending Association of Great Britain. Mr Ian Plummer of City Vending has been reelected chairman of the association. Mr Roger Thomas of Mars Money Systems Division and Mr Mike Bellon of Lin Pac Plastic Containers, have been elected to the association's board of management.

Mr J. A. Club will become executive vice president of the British Scrap Federation on June 1, succeeding Mr R. S. Boat who will be a consultant to the federation.

Mr Jack Watmough has retired from the boards of Watmoughs Limited and Bridge Graphics. He will remain deputy chairman of Watmoughs (Holdings). Mr Colin Maughan becomes deputy chairman of Watmoughs Limited. Mr Douglas Greaves has retired from the boards of Watmoughs (Holdings) and D. H. Greaves. He will become a consultant to Watmoughs (Holdings).

Mr Leonard Humphrey, managing director of Humphrey Scaffolding (Brighton), has been elected president of the National Association of Scaffolding Contractors.

Construction: the slow build-up

Channel tunnels and the odd power station apart there is little to cheer Britain's hard-pressed construction industry. Cutbacks in North Sea oil development and public sector spending have all taken their toll on previously ambitious plans.

Regarded as a reliable economic barometer, most parts of the industry are showing few immediate signs of recovery. Yet within the gloom which has threatened to subdue builders' few glimmers of light can be seen breaking through the swelling ranks of unemployed construction workers and idle equipment.

Housebuilding in particular is at last on the increase. Figures released today by the Department of the Environment will show a continuing rise in the number of houses being built.

There is also evidence of improving performance by major companies. Recently Tarmac produced results ahead of market expectations with pretax profits advancing by some 19 per cent to a record £52.1m on turnover only marginally ahead at £918m.

The downside of all this is that while the building groups are looking fitter, albeit leaner, material suppliers and producers are still convalescing. Blue Circle, for example, points out how producer's margins have been under extreme pressure during the last year or so.

And the interim workload survey from the civil engineering contractors does not exactly paint a picture of health, vitality and optimism. The Federation of Civil Engineering Contractors quarterly report indicates that workload continues to decline although at a slower rate than the industry has become accustomed to since the late 1970s.

What precious little confidence actually exists in among major companies is almost exclusively among those tendering for repair and maintenance contracts.

Perhaps surprisingly, when seen against the background of company results, total output in the construction industry declined by about 12 per cent last year. A level which, according to one of the leading construction analysts Savory Mills, will be maintained in the current year.

Perhaps more important will be the pressure from producers and suppliers to increase their margins and ease the financial noose which has been hanging around their necks. There is a distinct feeling within the industry that it is bracing itself for some fairly hefty price rises during the year. And, of course, just as the real decline in costs was disguised last year, so official increases in 1982 are likely to be modified.

At the same time construction projects have been hitting deadlines with greater frequency. Rising unemployment in the industry has meant a freely available and willing workforce on tap. This has also had the effect of keeping wage rises in line with inflation, worst and a lot lower at best. Buildings going up quicker have had the effect of keeping finance charges under control.

Against this background at least one sector of the industry is leading the charge into long term healthier profits. In 1980 private sector housing hit an all-time low with

A series of better-than-expected profits from publicly-quoted construction companies and relatively buoyant house-building statistics have fuelled optimism about a recovery in the industry. Much of the sector — generally thought to be a bell-wether for the economy — is still however suffering from a deep recession with little immediate hope of relief. Baron Phillips assesses the state of the industry.

The recovery however is from an abysmally low level. Money allocated for this work has crashed dramatically from £55m (a constant 1975, seasonally adjusted prices) in 1978 to only £34.2m last year. This has been the direct result of Government policy to switch housing resources away from the public to private sector.

Construction companies continue to be extremely concerned about falling orders from the public sector. Although the Chancellor announced a 14 per cent increase in capital expenditure to more than £10,250m in the Budget the industry believed it was almost meaningless risk because it was from a low base and because there has been a growing reluctance on the part of local authorities to spend money.

It is estimated that as much as £700m is kept in local authority coffers which could be available for new public works. But this money is unlikely to find its way into the expenditure account as councils are eager to keep down current costs.

It is volume housebuilders like Barratt Developments, Wimpey, Taylor, Ideal and Bovis who can expect improved activity and profits during the present year. The sector has already undergone a major shake up as high interest rates, falling prices and soaring unemployment destroyed complacency. For the first time builders had to go out and sell houses rather than simply build them and wait for buyers to walk on to a site.

The other glimmer on the horizon is the amount of repair and maintenance work available for companies. According to Savory Mills the outturn in this sector in 1981-82 is estimated to be £1,850m and should rise to just under £2,000m in the present year. These figures of course relate to publicly accounted contracts covering major works, but the real figure is thought to be around the £3,800m level when the less easily definable private housing repair and maintenance work is included.

Overseas the general picture is equally gloomy. Falling oil prices have meant a drastic reduction of spending on capital projects by Opec members, especially in the Middle East, Nigeria and Mexico. As our major construction and civil engineering ring groups like Costain and Taylor Woodrow have discovered, they must search farther afield for work and competition is becoming extremely intense as the world recession bites hard.

Even so companies like Tarmac illustrate that there is work on the international market and that it can be profitable. Materials producers such as Blue Circle received a major contribution to profits from its international division with substantial uplift coming from its operation in North America. On the home front the group is looking for further redundancies which will lop about 30 per cent of its workforce since the start of the last financial year.

The worst may be over for the construction industry, but there is unlikely to be any serious rise in business over the next 18 months.

C. Gordon Tether

When the tail wags the dog

There is a growing demand for an inquiry into the implications for the world's financial system of Poland's foreign debts to both sides of the Atlantic have been vocal about the implications for the world's financial system could cause if political considerations alone were allowed to dictate the West's reaction to Poland's foreign debts to the West.

There are good grounds for thinking that in this instance the agitation achieved its purpose. It seems pretty clear that Western governments have been willing to help the Polish military regime cope with its foreign debts problems to a materially greater extent than they would have been if there had not been the major intervention in the matter by the international financial lobby.

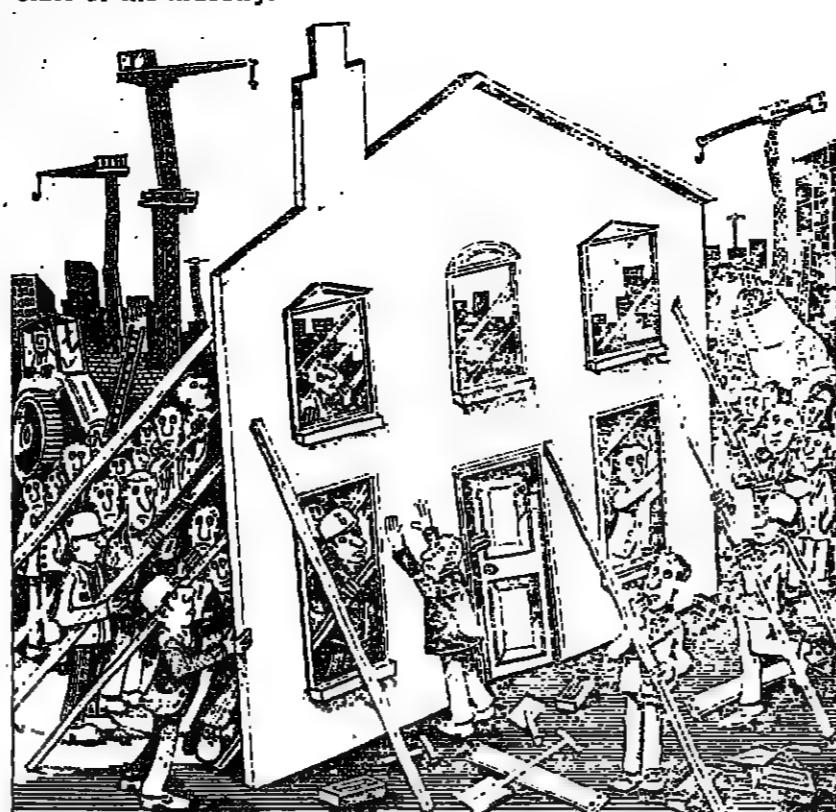
Freezes

Mr Henry Wallich, one of the top men in the American central banks hierarchy, recently said that if the United States declared Poland in default for purely political reasons, it would set a precedent that could do widespread damage to the mechanisms of international credit. Following such a move, banks would have to be concerned that international credit had become "a pawn of political purpose".

It has to be conceded that the freezes imposed on the use of Iranian and Argentine assets did constitute cases of international credit being made "a pawn of political purpose". But it is certainly arguable that the attitude that has been adopted towards the Polish debts problem involves the exact opposite of that process. By being careful not to push the Poles into default for fear of the repercussions this might have on the world's monetary system, the Western countries were effectively making political purpose a pawn of international credit.

The moral of the Polish debts story is, indeed, that the greater the extent to which the international banking community is allowed to encourage countries to build up large foreign debts, the greater will be the influence on the conduct of world affairs exercised by the international financial community. This is clearly something we need to think deeply about while there is yet time.

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by contractors in 1981 is unlikely to continue in 1982-83. Tender prices declined by about one per cent last year — and as the civil engineers survey points out, there are fewer invitations to tender — which would come through in company results over the next two years.

Perhaps more important will be the pressure from producers and suppliers to increase their margins and ease the financial noose which has been hanging around their necks. There is a distinct feeling within the industry that it is bracing itself for some fairly hefty price rises during the year. And, of course, just as the real decline in costs was disguised last year, so official increases in 1982 are likely to be modified.

At the same time construction projects have been hitting deadlines with greater frequency. Rising unemployment in the industry has meant a freely available and willing workforce on tap. This has also had the effect of keeping wage rises in line with inflation, worst and a lot lower at best. Buildings going up quicker have had the effect of keeping finance charges under control.

Against this background at least one sector of the industry is leading the charge into long term healthier profits. In 1980 private sector housing hit an all-time low with

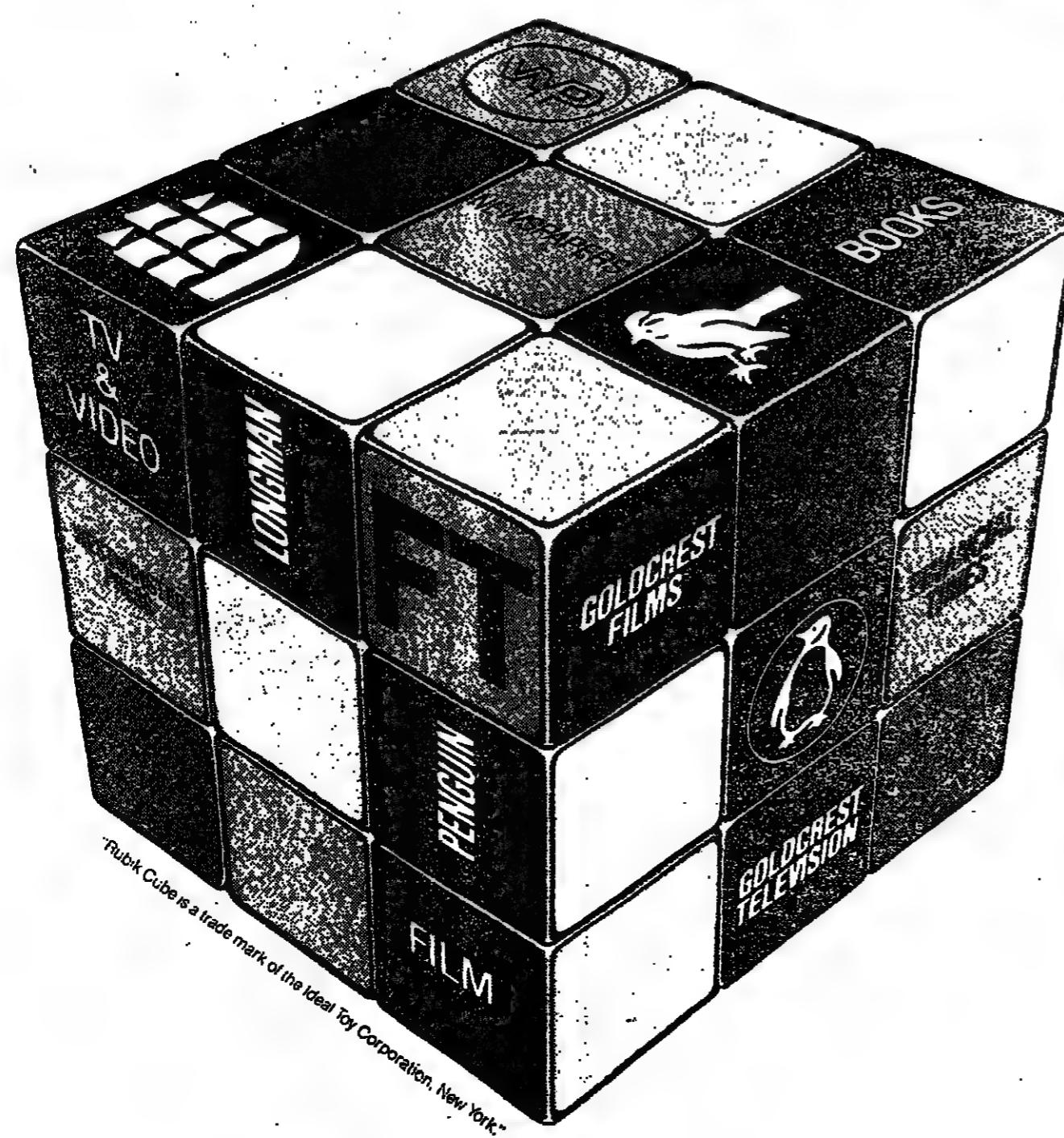
HOUSEBUILDING '000 units			
1973	326.5	1978	264.7
1974	252.1	1979	225.2
1975	322.9	1980	154.0
1976	325.4	1981	153.2
1977	266.9	1982	175.0*
*Projection			

Source: Housing Builders Federation

This trend is underlined in the Department of the Environment's latest construction orders figures. Total orders for new work in the three months to February were similar to the previous quarter but 4 per cent lower than than the same period a year ago. Hidden within the Government statistics was the surprising trend of public housing work which was ahead by 11 per cent over the earlier three months and a staggering 78 per cent higher than a year ago.

The worst may be over for the construction industry, but there is unlikely to be any serious rise in business over the next 18 months.

Making the right moves



- Penguin and Longman both set new records
- Financial Times returns to profit as European edition passes 34,000
- Longman enters legal publishing with Oyez
- Goldcrest builds the team to lead the British film industry
- Pearson Longman starts Goldcrest Television and takes a stake in Yorkshire TV
- Westminster Press free publications now reach 1.6 million homes
- Goldcrest links with Penguin and Longman in two new video publishing ventures

In 1981 Puffin Books published 'You can do the Cube' by Patrick Bossert and Penguin Books published 'Mastering Rubik's Cube' by Don Taylor. Both were worldwide best-sellers. Goldcrest Television then produced a prizewinning video cassette featuring Patrick Bossert called 'You too can do the Cube'.

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Benefits of change

In his statement to shareholders, Sir Anthony Tuke said:

"Multinationals have been subjected to a great deal of criticism over the past few years, much of it ideological in origin and much of it ill-informed. It is, however, right that corporations should review their responsibilities and make certain that their policies are correct and in tune with current thinking. It is not enough for international companies to shelter behind the laws of the country in which they invest; their responsibilities go beyond that. No government would, however, accept a foreign investor who deliberately stated his intention of flouting the laws of the land and the OECD guidelines for multinational corporations specifically enjoin those corporations to obey the laws of the countries where they operate."

If a corporation finds local conditions and attitudes unacceptable it has the option of refraining from investing in that country as it would do if the fiscal and financial climate were not sufficiently attractive. Withdrawing from an existing operation is much more difficult and may achieve little as local investors could take it over, maybe with less internationally acceptable standards and policies.

Any foreign investor has a clear responsibility to its employees and their families and, in the case of a mining company, to the local community, especially the indigenous population. The question both we as investors and the people who will be affected by a new operation must ask is, whether the benefits of a major investment outweigh the disadvantages change may bring.

We do believe that the advantages overwhelmingly outweigh the disadvantages as we see the rising standards of living in the areas where we operate. These are evidenced by the high quality of housing, education, health and medical care, training and opportunity for advancement, as well as benefits to the wider community, especially in third world countries, of new sources of revenue and foreign exchange, together with educational and training opportunities from the independent foundations that have been established locally from the profits earned.



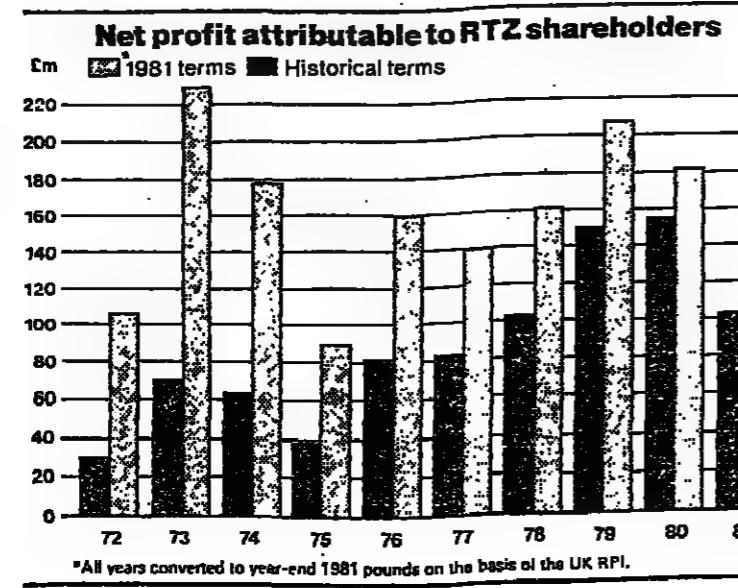
Growing vegetables in the back garden is one of the new skills taught by the Rössing Foundation to families in Namibia.



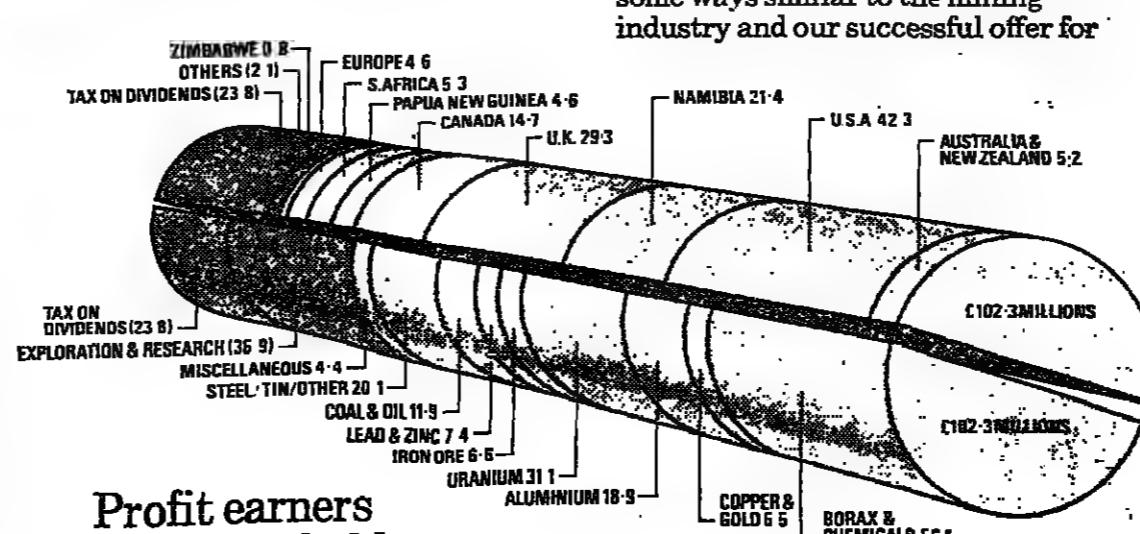
The highest standards of medical care are provided at group activities, particularly in less developed areas.



Educational opportunities at all levels for employees, their families and the wider community are an integral part of our operations.



Profit earners for RTZ shareholders



The Rio Tinto-Zinc Corporation PLC

RTZ

If you would like a copy of the full RTZ annual report please write to: Group Public Affairs Department, 6 St. James's Square, London SW1Y 4LD.

Fact sheets on various aspects of the corporation's activities will be available from 3rd June.

Anthony Tuke
Chairman

Australianisation

Some three years ago we agreed that the majority Australian ownership in CRA should be achieved over a period through the reduction of our interest to 49 per cent. This change in our shareholding will take place in the context of sound commercial development and investment and at that level our investment will have expanded in dollar terms. The authorities in Australia have been helpful and we are not under any pressure. We anticipate that during the next few years the RTZ interest will fall to 49 per cent but we do not expect any material change in the profits available to shareholders from Australia.

Ward and Tunnel

One of the reasons for the 1980 rights issue was to enable the corporation to expand its activities in this country. The cement industry is in some ways similar to the mining industry and our successful offer for

Ward brought with it control of Tunnel: the subsequent bid for Tunnel at an agreed price has become unconditional. The management of RTZ regard the bringing together of these two important companies as a priority during the next few months.

Future Outlook

In some respects the economic forecasts of early 1982 are similar to those made a year ago but there is reason to believe last year's dismal pattern will not be repeated. Past experience suggests that prices would be unlikely to remain as weak for an extended period even if demand were to stagnate throughout the year. Hence any modest revival of final demand, or any improvement in business confidence, should fairly swiftly affect metal markets and the RTZ Group's low cost mines would benefit accordingly."

Babcock

SUMMARY OF GROUP RESULTS

	1981 £m	1980 £m
TURNOVER	955.8	873.0
PROFIT BEFORE TAX	14.1	15.2
PROFIT attributable to Ordinary Shareholders	5.0	5.7
EARNINGS PER SHARE	6.1p	5.9p
DIVIDEND PER SHARE	7.0p	7.0p

Sir John King, Chairman, reports:-

- * Strong positive cash flow.
- * Improved operating efficiency.
- * Currently better business outlook.
- * 1981 dividend maintained at 7p per share.

Copies of the Annual Report may be obtained from
The Secretary, Cleveland House, St. James's Square, London SW1Y 4LN.

Babcock International plc
A LEADER IN WORLD-WIDE ENGINEERING



Lord Boyd-Carpenter

Through a difficult year with increased profits

- Pre-tax profits 10% higher — dividend up
- Benefits felt of very heavy capital investment
- All overseas interests improving
- "Gleams of light ahead"

The following are extracts from the speech to shareholders by The Rt. Hon. Lord Boyd-Carpenter, DL, Chairman.

In my speech last year the essence of the message which I tried to convey was my confidence that we could and would survive the combined impact of a world depression and a low level of activity in the construction industry in the United Kingdom. In hard weather it is the hardy who survive. But I certainly would not last year have dared to suggest that I expected that in 1981 we should produce higher pre-tax profits than those of 1980. Yet this is what I can now report.

I think it is useful to seek to analyse why this has been so. First we have made vigorous efforts to improve our service to customers. We have had in mind the truth of the placard which I saw recently in the plant of which we are part owners in Pennsylvania, "CUSTOMERS MAKE PAY DAY POSSIBLE". This has been successful to the extent that it helped to offset the fall in demand so far as our Company was concerned. Secondly, we have been able to contain our costs by concentrating our production effort on our energy economical new plant. This new plant has involved very heavy capital investment notably at our Rochester and Southam Works. This investment has turned out to have been well-timed. It is helping us to keep our costs down through a period of depression. And it has provided a reserve of capacity to enable us to take full advantage of the recovery when it comes.

CEMENT MANUFACTURE IN THE U.K.
1981 began with the same low level of demand which had been experienced in the latter part of 1980. In the second half of the year there was a modest upturn but sufficient to confirm my forecast in our half-yearly statement that the reduction in Group profits in the first half of the year would be "more than offset by the end of the year". But with the severe weather in December bringing most sites to a standstill the year finished on a disappointing note.

Nevertheless, recent developments and modernisation at our works enabled the Company to meet the fluctuating demand pattern for bulk and packed cement with a high standard of service. Particular progress was made with the handling and delivery of packed cement and results fully justified the high capital cost of installing automatic loading and palletising facilities.

Since the weather improved, demand has improved with it.

OVERSEAS
Our Australian subsidiary, Cockburn Cement Limited, has had a somewhat mixed year although its results for 1981 show an improvement on 1980 both in terms of profit and in cement and lime sales — indeed, the tonnage of cement delivered during this year was the highest since 1978. The first shipment of cement in bulk was made to the new Darwin Depot late in September last year. There is every indication that the Northern Territory will develop into an important and useful additional market for Cockburn Cement.

The Parmelia Hotel increased its contribution to the Group's profit by 40%, although half of this improvement was due to the strengthening of the Australian dollar against sterling.

In the United States, despite the effects of the present recession on the construction industry in the North East of the U.S.A., our newly acquired associated company, U.S. Cement Inc., through its 100% subsidiary, Hercules Cement Company, succeeded in improving both its sales and its share of the market.

EMPLOYEE RELATIONS

During the late spring and early summer the cement industry as a whole

Financial disruption could spread beyond Argentina

Latin America piles up debts

In just two years time, the economic forecast for the South American and Central American nations has turned from bright to bleak as the world recession has cut into exports and political unrest in a number of countries has escalated.

Now that there is the threat of a costly and possibly prolonged war involving Argentina, conditions in these closely-linked developing nations are all the more uncertain.

If the British naval blockade is extended for example, there could be severe economic consequences in other countries.

This is just one of a number of unsettling possibilities being considered by officials in international lending organizations at present reviewing the sharp deterioration in the economies of countries south of the United States border.

The Falklands conflict has spotlighted economic problems in this part of the world as it has become apparent to international lenders that a huge financial disruption in

Debts of Latin American and Central American countries, June, 1981, in millions of dollars

Country	Total claims	Claims on:		Maturity of Claims:		
		Bank	Public or private	1 year	1 to 5	Over 5
Argentina	7483.3	2464.7	2106.9	2911.7	4961.5	1887.3
Bolivia	55.0	24.9	153.6	205.4	220.6	31.6
Brazil	15188.4	5689.5	4788.4	4411.3	8994.3	5214.0
Chile	4701.3	2582.2	706.3	1412.8	2357.0	1504.6
Colombia	2594.6	1012.4	605.4	976.7	1789.6	470.5
Costa Rica	592.7	74.2	244.5	373.9	357.1	20.7
Dominican Rep	489.9	122.3	271.0	96.4	266.1	183.9
Ecuador	1854.1	521.9	581.5	780.6	113.8	374.0
El Salvador	101.3	20.1	21.5	59.7	70.1	1.0
Guatemala	241.2	21.4	20.3	189.9	146.1	86.8
Honduras	274.9	24.5	80	169.5	173.6	16.2
Jamaica	190.4	13.0	157.1	20.3	72.0	100.9
Mexico	18101.2	3129.8	5345.7	9826.7	10607.0	4848.9
Nicaragua	423.7	85.7	293.3	44.6	182.0	48.3
Paraguay	271.1	10.1	110.2	150.7	141.5	92.6
Peru	1783.6	702.5	811.7	265.4	1263.4	42.3
Trinidad/Tobago	115.9	4.4	101.0	10.4	26.9	78.0
Uruguay	1188.7	1068.1	30.5	88.9	1158.1	30.4
Venezuela	2077.0	5325.2	7321.6	7528.0	14058.0	5312.5

one country such as Argentina could have an adverse effect on several others.

At present, there are several Latin American countries whose short term debt exposure worries World Bank and International Monetary Fund officials. They agreed to be interviewed by *The Times* on a background only basis.

Argentina's shaky financial position has been well publicized, but less well known are the economic problems of some boozing countries such

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Magri the falling angel, trailing cotton-wool clouds

By Srikumar Sen
Boxing Correspondent

A question mark as big as a Mexican hat hangs over the career of Charlie Magri, Britain's European flyweight champion. His defeat in the ninth round of his bout with Jose Torres, of Tucson, leaves me in no doubt about Magri's inability to take a punch and with some concern for his well-being, should he find himself in the ring with some other Mexican with a whiplash punch.

Admittedly any blow well placed on the point of the chin will flatten most men but the blow that put Magri's future in danger was not a classic knockout blow. It landed full on the right side of the head and rather high. Down he went.

Nor is Torres a hard puncher. Which must have been more than a little disturbing for friends and followers and British Boxing Board of Control officials alike.

Particularly alarming was how much Magri's boxing has fallen off. He seems perpetually to be fighting his way through a huge cloud of cotton-wool. At this level he does not seem to be able to control a bout and more often than not finds himself being pulled against the ropes.

As far as every decent boxer will be looking at Magri's performance together with those of others who took part in Tuesday's show at Wembley Arena. Since the boxer's welfare comes first with the board, I am sure you will think hard about Magri's future.

Magri and his manager, Terry Lawless, are also pondering the matter. In the meantime Magri must automatically have an enforced 21 days' rest from boxing. After that, as is customary, he has to have a complete neurological check-up.

I hope that after that period he will not feel inclined to defend his European title against Enrique Cal, of Spain, whom he stopped in one round in 1981. He may have to go abroad for that, as not many people will pay to see a boxer who cannot even stand upright and cannot box. London Boxing in Snail will do his confidence no good. Besides, if he wins he may feel like climbing back up the world rankings. From fourth he will either fall to the bottom of the top 10 or else out of the picture. That will do him no good, either.

Tony Sibson is to take three months' rest after his successful European middleweight title defence against Jacques Chinou, of France. Sibson has a suspected broken metacarpal in his



Magri: Rest and checkup

right hand and his arm is in plaster. He was not impressive in view of his damaged hand he could be excused.

He is likely to be back in action in September against the tough Syrian, Mustapha Hamoud, Sami Burns, Sibson's manager, said: "We'll see what happens. I took it with both hands. Sibson cannot get to Hagler until the end of the year and if he cannot beat Hamoud he should not be fighting Hagler, anyway".

Rudi Koopmans' defence of the European super-middleweight title against Christine Cavinia has been postponed for a second time. The Dutchman will meet the Italian in Montecatini Terme, near Florence, on June 2.

Hearns injury delays challenge

The world middleweight title fight between the champion, Marvin Hagler, and Thomas Hearns will be postponed from May 24 because of an injury to Hearns' finger. Emanuel Steward, Hearns' manager and trainer, said: "I believe, July 13 is the date for which the bout could be rescheduled.

Hearns, a volunteer auxiliary police officer, injured the finger about 10 days ago when he fell after training at the Detroit police academy early last month.

The former world Boxing Association welterweight champion continued his sparring work-outs, but the finger apparently became infected, Steward said. Hearns was due to meet Hagler in Windsor, Ontario. — AP.

RUGBY UNION

Wakefield, the cocks of the north, are crowing

By David Hands

The decision of the Rugby Union to shelve plans for a projected national league system for at least five years may give a somewhat enhanced emphasis to the final regional merit tables. Voting by member clubs to an RU questionnaire on the subject showed a slim majority of 355 votes for the new league, although it is possible that some senior clubs may give more time to chewing on this particular bone of contention.

Meanwhile Wakefield have cause to crow over their jump from twelfth place in the Northern merit table to the head. Last year they had a 100 per cent with a 100 per cent record; this year they give best in Wakefield, who made it something of a local double by beating Sheffield in the final of the Yorkshire Cup.

Wakefield's success — their only blemish was against Ryde — is the culmination of a reorganization of their playing strength over the last five years and it is a comforting thought that the team that leads the leading team is over 28. Robin Foster, their secretary, attributes their fine season to an outlook which is almost South Welsh. "All the children in whatever school round here play with an oval-shaped ball, whether they are directed towards Rugby Union or Rugby League", he said yesterday.

Some of those maturing youngsters helped Yorkshire to a surprise win over Lancashire — ultimately the county champions this season and one of them, the young Harrison, Harrison and the other wing, testimony to the fluid style of play cultivated by Wakefield and their panel of coaches, headed by a deputy headmaster at the Silcoates School, Mike Ellford, who is to coach the senior Yorkshire side next season in succession to Alan Old.

Not that all is sweetness and light in Yorkshire circles. The Northern major clubs are still waiting for the RU's reply to a letter expressing some concern that the only Yorkshire club to be selected for the new Senior

SPORT IN BRIEF

SWIMMING

Another kind of marathon for New Zealander

Sandra Blewett, a marathon swimmer from Auckland, New Zealand, who has twice been advised after serious illness or injury that she would not be able to swim seriously again, plans an assault on various European venues during the summer, David Hands writes.

Miss Blewett, aged 32, who has been living in this country for the past three years, hopes to make her third attempt on the Channel as well as the little-attempted 60-mile Lake Geneva swim and the crossing of the Straits of Gibraltar, if she can find a sponsor.

Eight years ago, on her first Channel swim, she slipped discs in her back so badly that her medical advisers suggested she should give up swimming. But she has come back from that, and from a serious liver complaint, to continue her love affair with marathon events, even though the trend these days is to undertake running at this classic distance.

Miss Blewett, who is a swimming coach but currently lives in Feltham and works as a cashier on board cross-Channel ferries, hopes to undertake distances which have not in the past proved popular. At least her present job allows her to get across the Channel, even if it is on the water rather than in

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Death penalty vote on Tuesday

By Anthony Bevins, Political Correspondent

The House of Commons is to be given the opportunity to vote for the return of capital punishment next Tuesday.

It was revealed last night that the Criminal Justice Bill is to be given three days for its report stage, providing the Falklands emergency does not force a rearrangement of parliamentary business, and that capital punishment would be allocated the first full day of debate.

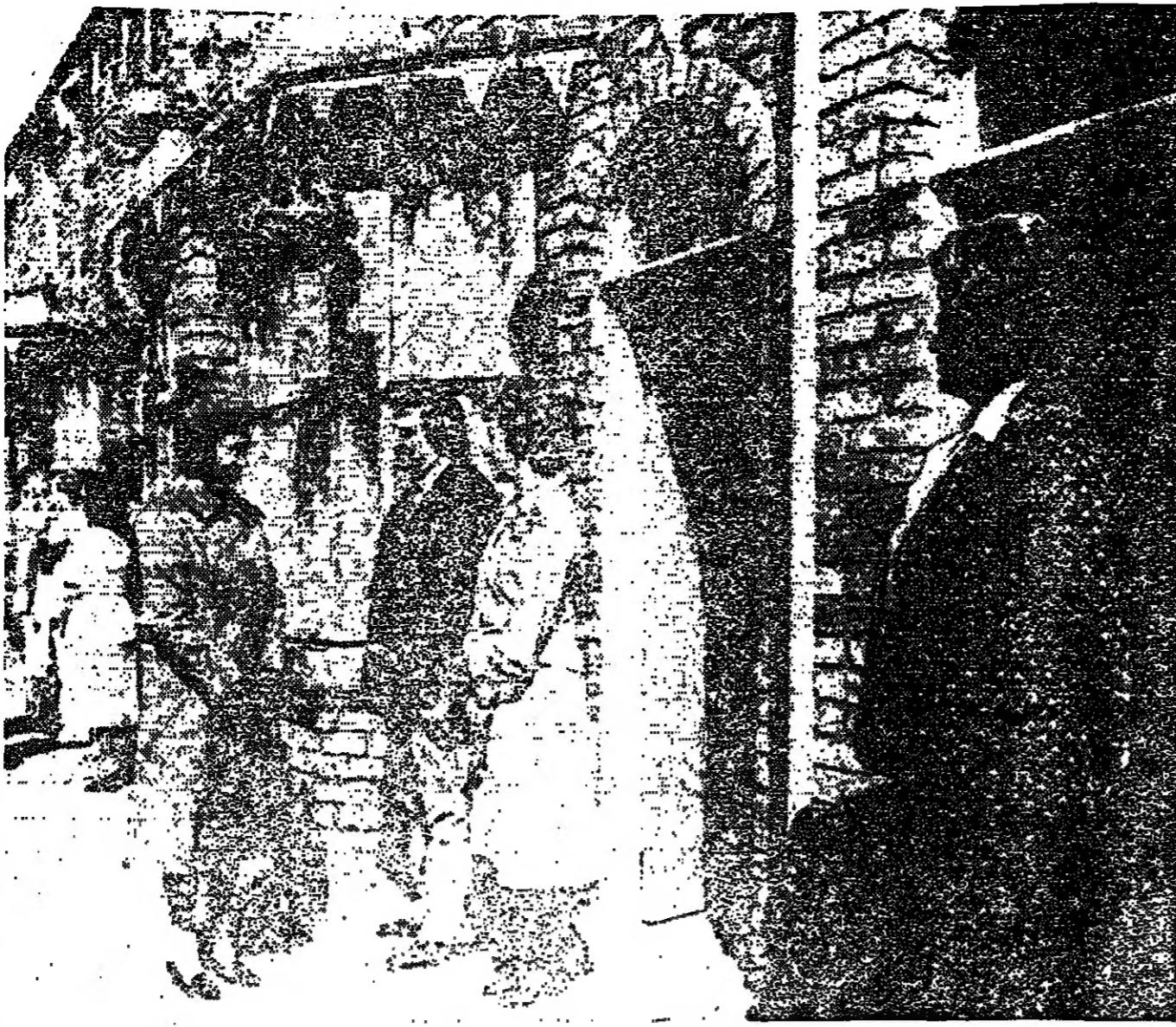
This decision will be announced in the Commons this afternoon.

Mr William Whitelaw, the Home Secretary, has already expressed the hope that Mr George Thomas the Speaker will group the four new clauses containing capital punishment options, with four separate divisions to take place at the end of debate, at 10 pm on Tuesday.

Three original new clauses abled by Mr Vivian Bendall, Ilford, North, and Mr Edward Taylor, Southend, East, propose the death penalty for terrorism involving loss of life, for murder of police and prison officers, and for murder committed in the course of robbery and burglary, involving the use of firearms.

Since then a group of senior Conservative back-benchers have tabled a more general new clause, stating: "A person convicted of murder shall be liable to capital punishment."

The last death penalty vote in July, 1979, opposed the punishment by 362 votes to 243.



The Street turns out for the Queen

The new old houses in Coronation Street were decked out in flowers and hunting yesterday for a visit by the Queen and Duke of Edinburgh. Being the colourful exterior, however, was a homely concern for Prince Andrew, serving as a helicopter pilot with the Falklands task force.

On all sides the Queen was asked about her son and she told Mr Hugh Lee, the Lord Mayor of Manchester: "It is a very anxious time for us all."

During their visit to the newly-built television set for the Street, the Queen and Prince Philip met the cast's

regulars as, above, are seen chatting to Len and Rita Fairclough (Peter Adamson and Barbara Knox) while Eileen Tanner (Pat Phoenix) looks on.

The new location for the long running TV series in a former railway yard near the

Granada TV centre in Manchester. It was completed only a week ago to replace the former outside set a short distance away which was not regarded as authentic enough. The Queen is reported to be a regular watcher of the series.

How HMS Sheffield was hit

By Hugh Noyes, Parliamentary Correspondent

Continued from page 1

aircraft, although this was not certain. That was possibly the reason why the attack was with Exocet missiles. The Sheffield was armed with Sea Dart missiles of the latest kind. These were an air defence weapon and were not very successful against incoming missiles of a particular kind. It was not known why the Sea Dart system did not successfully engage the aircraft but it was possible that it came in very low, under radar cover.

Mr Nott also named the

pilot of the Sea Harrier lost in the attack on the airfield at Port Stanley as Lieutenant Nicholas Taylor.

Mr Denis Healey, Opposition spokesman on foreign affairs, was cheered by MPs on both sides of the Commons when, in paying tribute to the courage of the Harrier pilot and the crew of the Sheffield, he said they had given their lives in the defence of a principle that was regarded as of great importance by all members of the House.

There was no further news of either the casualties or the survivors of HMS Sheffield and little enough of the ship itself except that she was still afloat.

Another attraction of Peruvian involvement in finding a

diplomatic solution is the warm relations which exist between Lima and Buenos Aires. This could mean that a solution put forward by Peru would be more palatable to the Argentines than one proposed by the Americans who are now openly siding with the British.

The British regard Mr Haig's role in any settlement effort as being absolutely essential. "We favour the Peruvian initiative because they are working very closely with Mr Haig," one British diplomat said today.

But Argentine sources say

Mr Haig is regarded in

Britain favours Peruvian initiative

Continued from page 1

A Ministry of Defence spokesman said last night that they were aware of but would not confirm reports that the main Argentine fleet was outside the 200 mile Military Exclusion Zone and heading back towards Argentina, but that two Argentine submarines remained inside the zone.

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The main attraction for the British of the Peruvian proposals is that they contain the elements of a three-point package which would be acceptable to Britain. These are: the mechanics for a withdrawal of Argentinean forces from the islands; the establishment of an interim administration on the islands with international participation; and negotiations for a long-term solution without prejudicing the sovereignty

Buenos Aires as totally discredited since the United States sided with Britain. He had contrived to suggest that the sinking of the General Belgrano had put British lives at risk, as if that risk were not already inherent in the very sending of the task force which he had supported. She had told him that she had to "live hourly" without worry that the Argentines "might get through". This was the way British lives could be put at risk. Her wording gave a suggestion that she believed it a danger, yet something really likely. But now that hour had come, and here

Twenty-four hours before this appearance in the Chamber yesterday, 24 hours almost to the minute, Mrs Thatcher had made a fateful remark to Mr Foot. He had contrived to suggest that the sinking of the General Belgrano had put British lives at risk, as if that risk were not already inherent in the very sending of the task force which he had supported. She had told him that she had to "live hourly" without worry that the Argentines "might get through". This was the way British lives could be put at risk. Her wording gave a suggestion that she believed it a danger, yet something really likely. But now that hour had come, and here

Opposition with the tributes paid to the lost British servicemen, he said that they "gave their lives in the defence of the principle which is regarded as of great importance by all members of the House". There was a cheer at this, but rather more from the Tories than from Mr Healey's own party. Admittedly, the shadow Foreign Secretary wandered off into a question to Mr Nott about the relative positions of the Belgrano and the British task force, a question designed to prove some point which Mr Healey had tried to score off Mr Nott the previous day. Mr Healey, being mortal, was not perfect, even on this day.

Fans mourn

Portsmouth and Exeter City fans stood in silence for one minute before their Third Division football match, in tribute to the sailors who died aboard HMS Sheffield, which was based in Portsmouth.

Twenty-four hours before

Today's events

Royal engagements

The Duke of Edinburgh attends Garter Conservation International Convention, Churchill Hotel, Portman Square, W1, 9.15; as Admiral of the Royal Naval Sailing Association, presented prizes for White Rose Round the World Race, Porter Turn Room Whitbread Brewery, Chiswell Street, EC1, 5.30; later as Senior Fellow, Fellowship of Engineering, attends New Fellows' Dinner, Apothecaries Hall, Black Friars Lane, EC4, 7.45.

Queen Elizabeth, the Queen Mother visits exhibitions mark-

ing centenary of Royal Cambrian Academy of Art at Conway and Llandudno, N Wales, 12.30.

Princess Margaret visits Becton Gas Factory, Plymouth, 10.15.

The Duke of Gloucester opens Chester-le-Street Civic Centre, Co Durham, 11.40; opens Royal Mail House, Darlington, 3.

The Duchess of Gloucester attends London Suzuki Group School Appeal Concert, St James's Palace, 7.25.

Exhibitions in progress

Watercolours, oil paintings and sculpture by the artists of the Hatfield Road Group, City Museum and Art Gallery, Bexley Street, Hanley, Stoke-on-Trent, 10 to 31 May.

Trent; Mon to Sat 10.30 to 5. Wed 10.30 to 8 until May 15.

Leaves Never Grow on Trees, four prints from Max Ernst's *Hermit's Nature*, Billingham Art Gallery, Mon to Sat 10 to 5.30 (until May 22).

Late Sicker paintings, Wolverhampton Art Gallery, Lichfield Street, Wolverhampton, Mon to Sat 10 to 5.30 (until May 22).

Stamps, covers and photographs depicting sail training ships of the world, Maritime Museum, The Queen, Exeter, daily 10 to 5 until December 31; Concert, Judie Tako, Colston Hall, Colston Street, Bristol, 7.30.

Objects Human Scale: contemporary Australian jewelry and ceramics, City Art Centre, 2 Market Street, Edinburgh; Mon to Sat 10 to 4.30, Sun 1 to 5; late opening Wed 6.45 to 8.30 (until June 29).

Replica Crown Jewels, Chapter House, Glastonbury Cathedral; Mon to Sat 10 to 4.30, Sun 1 to 5; late opening Wed 6.45 to 8.30 (until June 29).

Images of Reality: photographs tracing the background of the Blackfoot Nation, Capriola Cook Hall, 100 St Georges Street, Stewart Park, Merton, Middlebrough; 10 to 6 daily (until June 11).

Paintings by Helen Wilks and glass pieces by Sam Herman, Bridge Street Gallery, 7a Bridge Street, Buxton; Mon to Sat 10 to 5.30 (until May 29).

Baileys by Reta Soden, Falmouth Art Gallery, The Moor, Falmouth; Mon to Fri 10 to 1 and 2 to 4.30 (until May 21).

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